



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-093

Board Meeting Date: 1/29/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research and Education for Otorhinolaryngology Medical Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research, and Education for otorhinolaryngology medical services for the term of July 1, 2018 through June 30, 2020, for an amount not to exceed \$1,100,000.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. This care includes otorhinolaryngology (ENT) surgery, and the management and supervision of this service. The Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research and Education (PAMF) has provided surgery services at San Mateo Medical Center (SMMC) for the past 12 years. PAMF became affiliated with Sutter Bay Medical Foundation in January 2017.

DISCUSSION:

PAMF will continue to provide ENT services at SMMC; PAMFENT doctors are very familiar with SMMC and its patients. ENT medical services are provided under the general direction of the Chief of Surgery and the Chief Medical Officer. Monitoring and evaluation of the quality of PAMF's services are accomplished through peer review by the Quality Assurance Committee and the Medical Staff Executive Committee.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. This agreement is coming to your Board late due to longer-than-expected negotiations.

The Resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing County residents with access to ENT services. It is anticipated that ENT surgery wait times will be reduced to less than two months.

PERFORMANCE MEASURE:

| Measure | FY 2017-18 Actual | FY 2018-19 Projected |
|---------------------------|--------------------------|-----------------------------|
| Wait time for ENT surgery | < 3 months | < 2 months |

FISCAL IMPACT:

The term of the agreement is July 1, 2018 through June 30, 2020. The amount payable under of the agreement is not to exceed \$1,100,000 for the one-year term. Funds in the amount of \$550,000 are included in the SMMC FY 2018-19 Adopted Budget. Funds in the amount of \$550,000 will be included in the SMMC FY 2019-20 Recommended Budget.

This contract's payment provisions differ from prior contracts because the Medical Group Management Association (MGMA) relative value unit (wRVU), upon which compensation under this agreement is based, increased from \$61.41 to \$64.82 for ENT surgery. In addition, to more closely mirror market rates, the call coverage rate under the agreement has increased from \$500 per night to \$650 per night. The last compensation increase for this provider was in FY 2015-16.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.