



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 19-174

Board Meeting Date: 2/26/2019

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**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:** Amendment to the Agreement with Regulatory, Risk, Compliance Specialists, Inc. for Regulatory Consulting Services

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Regulatory, Risk, Compliance Specialists, Inc. for regulatory consulting services, extending the term through December 31, 2019 and increasing the amount by \$375,000, to an amount not to exceed \$1,100,000.

### **BACKGROUND:**

In April 2017, the Chief Executive Officer (CEO) of the San Mateo Medical Center (SMMC) approved an agreement with Regulatory, Risk, Compliance Specialists, Inc. (RRCS) for regulatory consulting services. In September 2017, your Board approved an amendment to waive the Request for Proposals process and extend the term through December 2018 with an associated increase in funding. The agreement has subsequently been amended twice, most recently by the CEO to extend the term through February 2019 and to increase the amount by \$25,000, in an amount not to exceed \$725,000. The most recent amendment was completed to allow time for this proposed amendment to be approved by your Board.

### **DISCUSSION:**

SMMC anticipates an even greater need for assistance from RRCS in reviewing documentation of medical necessity for SMMC's patients, due to the recent resignation of the SMMC Director of Resource Management. Therefore, SMMC is requesting that your Board approve extending the term of the agreement through December 2019 with an associated increase in funding.

The amendment and resolution have been reviewed and approved by County Counsel as to form.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate). The Board already granted such authority with the original agreement and said amendment authority has since been exhausted.

The amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by reducing the number of federal program appeals and denials for SMMC's patients due to lack of documented medical necessity. It is anticipated that the percentage of medical necessity errors/variances needing correction will be 5%.

**PERFORMANCE MEASURE:**

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Percentage of medical necessity errors/variances needing correction	5%	5%

**FISCAL IMPACT:**

The term of the amended agreement is April 1, 2017 through December 31, 2019. The amount of the agreement is not to exceed \$1,100,000. The amendment increases the amount payable under the agreement by \$375,000. Funds in the amount of \$188,000 are included in the SMMC FY 2018-19 Adopted Budget. Similar arrangements will be made for future years.

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.