



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 19-512

Board Meeting Date: 6/4/2019

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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:** Issuance of Purchase Orders to 3M Company to Provide Coding and Reimbursement Software

### **RECOMMENDATION:**

Adopt a resolution authorizing the County Purchasing Agent to issue purchase orders to 3M Company to provide coding and reimbursement software for the term June 22, 2019 through June 21, 2024, in an amount not to exceed \$415,000.

### **BACKGROUND:**

San Mateo Medical Center (SMMC) has used 3M Company (3M), to provide coding and reimbursement software applications for the past eight years. 3M was chosen for its intuitive software application which reduces the chance of coding errors and is also used for quality and statistical purposes. The competitive selection process was waived because 3M was a member of Vizient, the County's Group Purchasing Organization (GPO).

### **DISCUSSION:**

SMMC has a continued need for a coding and reimbursement software application. 3M software remains one of the industry leaders in coding software applications. Because 3M is no longer a member of the Vizient GPO, SMMC is requesting that your Board waive the Request for Proposals (RFP) process for 3M.

The resolution has 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).

Approval of this resolution contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing SMMC to continue to provide quality coded medical records for its patients. It is anticipated that the coding accuracy for inpatient diagnosis codes will be at 99.7 percent.

**PERFORMANCE MEASURE:**

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Percent of coding accuracy for inpatient diagnosis codes	98.7%	99.7%

**FISCAL IMPACT:**

The term during which the Purchasing Agent would be authorized to issue purchase orders is June 22, 2019 through June 21, 2024. The total amount authorized by such purchase orders is not to exceed \$415,000 for the five-year term. Funds in the amount of \$83,000 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.