



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** HEALTH

**File #:** 19-645

Board Meeting Date: 6/25/2019

**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:** Amendment to the Agreement with Ability Network Inc. to Provide a Medicare Software Application

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Ability Network, Inc. to provide a Medicare software application, extending the term through October 31, 2020, and increasing the amount by \$49,000, to amount not to exceed \$149,000.

### **BACKGROUND:**

Medicare requires a dynamic data exchange (DDE) software application to process claims. In November 2012, the Chief Executive Officer of San Mateo Medical Center (SMMC) approved an agreement with Ability Network, Inc. (Ability), to provide a DDE software application. SMMC solicited for quotes and Ability was chosen as the lowest priced provider. The agreement has been amended multiple times to change the scope of work, extend the term and increase the not to exceed amount.

### **DISCUSSION:**

This amendment will allow SMMC to continue to process its Medicare claims using Ability's software. This amendment will extend the term of the agreement through October 31, 2020, with an associated increase in funding. SMMC is requesting your Board waive the Request for Proposals (RFP) process for continued access for these services and allow SMMC time to complete an RFP and get a new agreement in place. SMMC expects to release an RFP in mid-2020.

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 Information Services Department has reviewed and approved the IT component of this agreement.

The County's Contract Compliance Committee has approved a waiver request for a five-year term for this agreement.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring SMMC will be able to continue to bill for the services it provides to its Medicare patients. It is anticipated that SMMC's compliance with Medicare billing requirements will be at 100 percent.

**PERFORMANCE MEASURE:**

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Percentage of compliance with Medicare billing requirements	100%	100%

**FISCAL IMPACT:**

The term of the amended agreement is November 1, 2012 through October 31, 2020. The amount of the agreement is not to exceed \$149,000. The amendment increases the amount payable under the agreement by \$49,000. Funds in the amount of \$6,125 are included in the SMMC FY 2018-19 Adopted Budget. Funds in the amount of \$36,750 will be included in the SMMC FY 2019-20 Recommended 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 is covered by the County's General Fund contribution to SMMC, and is within the existing annual appropriation.