



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-635

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: Agreement with Peninsula Pathologists Medical Group, Inc. for Anatomic and Clinical Pathology Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Peninsula Pathologists Medical Group, Inc. to provide anatomic and clinical pathology services for the term of May 1, 2019 through April 30, 2022, in an amount not to exceed \$1,600,000.

BACKGROUND:

Peninsula Pathologists Medical Group, Inc. (PPMG) has provided management, supervision, physician, and technician services in clinical and anatomical pathology to San Mateo Medical Center (SMMC) since April 2002.

DISCUSSION:

SMMC has an ongoing need for 24-hours a day laboratory medical coverage, and PPMG offers the benefits of a large practice with diverse pathology specialties and administrative support. PPMG will provide operative and supervisory services, including filling the Medical Director role for the Department of Pathology. PPMG will also provide consultation in the selection, operation, and maintenance of clinical laboratory equipment. Lastly, PPMG will oversee quality control and proficiency testing results to ensure consistent and accurate laboratory values.

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 prolonged 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 access to high-quality, consistent, and accurate laboratory and pathology services.

It is anticipated that 100 percent of all laboratory and pathology services provided will comply with standards as defined by the Joint Commission and Title XXII of the State of California Code of Regulations.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Estimated	FY 2019-20 Projected
Percent of laboratory and pathology services that comply with standards as defined by Joint Commission, Title XXII, and other applicable standards	100%	100%

FISCAL IMPACT:

The term of the agreement is May 1, 2019 through April 30, 2022. The amount of the agreement is not to exceed \$1,600,000 for the three-year term. Funds in the amount of \$88,889 are included in the SMMC FY 2019-20 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions in this contract differ from those in the previous contract due to an increase in rates to account for a 3% increase in the Consumer Price Index.

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.