



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-647

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 Craneware, Inc. to Provide Charge Description Master Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Craneware, Inc. to provide charge description master software services, extending the term of the agreement through July 31, 2023, and increasing the amount payable by \$331,532, to an amount not to exceed \$531,532.

BACKGROUND:

Craneware Inc. (Craneware) has been providing a charge description master (CDM) software application to San Mateo Medical Center (SMMC) since 2010, and the County's most recent contract with Craneware is for a term that began on August 1, 2014. The agreement has been amended three times since then, and the most recent amendment was signed by the Chief Executive Officer (CEO) of SMMC on February 27, 2019, with an effective date of March 1, 2019. The latter amendment adds certain supplemental licenses, products, and professional services related to the CDM software package.

DISCUSSION:

Recent changes to Administrative Memorandum B-1 allow for the purchase of software licenses and related services through the purchase order process. SMMC purchasing staff interpreted the Administrative Memorandum to allow for the purchase of the license and services described in the most recent amendment through a department-level amendment and purchase order.

However, after consultation with the County Counsel's Office, SMMC staff has concluded that it is advisable to bring this contract amendment to the Board of Supervisors for consideration and approval to ensure clear authority.

SMMC has a continuing need for the CDM software application and is requesting that your Board waive the Request for Proposals process as County Health is currently in the process of procuring an

electronic health record system that will incorporate the CDM.

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

The County's Contract Compliance Committee has approved a waiver request to extend the term through July 31, 2023, for this agreement.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by maintaining an accurate CDM system to ensure billing accuracy. It is anticipated that there will be less than 2% errors in the CDM system.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Percentage of errors in the CDM system	< 2%	< 2%

FISCAL IMPACT:

The term of the amended agreement is August 1, 2014 through July 31, 2023. The amount payable under the agreement is not to exceed \$531,532. The amendment increases the amount by \$331,532. Funds in the amount of \$100,000 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 is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.