



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 19-1181

Board Meeting Date: 12/10/2019

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 Scott Oesterling MD, Inc. to Provide Obstetrics and Gynecology Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Scott Oesterling MD, Inc. to provide obstetrics and gynecology services for the term of January 1, 2020 through December 31, 2021, in an amount not to exceed \$5,900,000.

BACKGROUND:

Scott Oesterling MD, Inc. has long provided obstetrics and gynecology services to patients of San Mateo Medical Center (SMMC).

DISCUSSION:

SMMC has a continuing need for obstetrics and gynecology services. Dr. Oesterling's group offers the County the benefits of experienced practitioners familiar with the complex nature of the County's patient base.

County Administrative Memorandum B-1 provides that contracts for physicians are exempt from the Request for Proposals process.

The agreement and resolution have been reviewed and approved by County Counsel as to form. This agreement is going to your Board late due to prolonged negotiations with the vendor.

The resolution contains the County's standard provisions allowing amendment of the County fiscal obligations by a maximum of \$25,000 (in aggregate).

It is anticipated that 95% of gynecology consults will be seen by a specialist within 30 days of referral.

PERFORMANCE MEASURE:

Measure	FY 2018-19 Actual	FY 2019-20 Projected
Percentage of gynecology consults that will be seen by a specialist within 30 days of referral	95%	95%

FISCAL IMPACT:

The term of the agreement is January 1, 2020 through December 31, 2021. The amount of the agreement is not to exceed \$5,900,000 for the one-year term. Funds in the amount of \$1,465,000 are included in the SMMC FY 2019-20 Approved Budget. Funds in the amount of \$2,950,000 are included in the SMMC FY 2020-21 Preliminary Recommended Budget. Similar arrangements will be made for future years.

The payment provisions of this contract have increased 4.5% from the previous agreement, due to an increase in the 2018 rates published by the Medical Group Management Association, which SMMC uses to benchmark physician contract compensation.

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.