



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 19-1252

Board Meeting Date: 1/7/2020

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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:** Amendment to the Agreement with S/T Health Group Consulting, Inc. to Provide Consulting and Audit Services

### **RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with S/T Health Group Consulting, Inc. to provide consulting and audit services, extending the term through January 31, 2024, and increasing the amount payable by \$1,640,400 to an amount not to exceed \$2,240,400.

### **BACKGROUND:**

On January 12, 2015, S/T Health Group Consulting, Inc. (STHGC) and the County entered into an agreement to provide pharmacy consulting and audit services at San Mateo Medical Center (SMMC). The Board has approved subsequent amendments to the agreement, extending the term through January 31, 2020 and increasing the amount payable to an amount not to exceed to \$600,000.

### **DISCUSSION:**

This amendment will allow STHGC to implement recommendations based on their audit findings for optimizing SMMC's pharmaceutical purchases. In addition, SMMC is requesting that the Board approve extending the term of the agreement through January 31, 2024, with an associated increase in funding. SMMC plans to do a Request-for-Proposal at the end of the amended agreement.

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

It is anticipated that at least 95% of the items in the pharmacy Charge Description Master (CDM) will

have the correct National Drug Code numbers.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Estimated</b>
Percentage of items in the pharmacy CDM that have the correct National Drug Code numbers	95%	95%

**FISCAL IMPACT:**

The term of the amended agreement is February 1, 2015 through January 31, 2024. The amount of the agreement is not to exceed \$2,240,400. The amendment increases the contract amount by \$1,640,400. Funds in the amount of \$205,050 are included in the SMMC FY 2019-20 Adopted Budget. Funds in the amount of \$410,100 will be included in the SMMC FY 2020-21 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.