



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-369

Board Meeting Date: 6/2/2020

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 Med-Metrix, LLC to Provide Accounts Receivable Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Med-Metrix, LLC to provide accounts receivable services for the term June 1, 2020 through May 31, 2022, in an amount not to exceed \$650,000.

BACKGROUND:

San Mateo Medical Center's (SMMC) Patient Financial Services (PFS) department has been using internal resources to collect revenue for services provided at SMMC and its clinics. PFS was informed in March of this year that four of its staff members were retiring at the end of that month, creating a risk of lower revenue collection by disrupting critical business operations.

DISCUSSION:

SMMC has a critical need to continue revenue collection services. Med-Metrix has presented PFS with a temporary solution that will allow SMMC to continue revenue collections for the third-party insurance payors. Therefore, SMMC is requesting that the Board waive the Request for Proposals process to address the immediate need to maintain the continuity of business operations for revenue collections and to create stability in staffing resources as permanent staff are hired, trained, and deployed across the Medi-Cal and Medicare lines of business. This approach was discussed with Labor as a temporary solution pending recruitment and training for the vacant positions. This agreement is going to the Board late due to prolonged negotiations with the vendor.

The agreement 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.

It is anticipated that SMMC will see a 40% increase of revenues collected from third party payors.

PERFORMANCE MEASURE:

Measure	FY 2019-20 Estimated	FY 2020-21 Projected
Percentage of revenues collected from third party payors	40%	80%

FISCAL IMPACT:

The term of the agreement is June 1, 2020 through May 31, 2022. The amount of the agreement is not to exceed \$650,000 for the two-year term. Funds in the amount of \$27,086 are included in the SMMC FY 2019-20 Adopted Budget. Funds in the amount of \$325,000 are 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