



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HEALTH

**File #:** 20-736

Board Meeting Date: 9/29/2020

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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:** Agreement with Fred Lui, MD for Nephrology Services

**RECOMMENDATION:**

Adopt a resolution authorizing an agreement with Fred Lui, MD to provide nephrology services through his practice group for the term of November 1, 2020 through October 31, 2023, in an amount not to exceed \$756,360.

**BACKGROUND:**

Nephrology is the subspecialty of internal medicine that focuses on the diagnosis and treatment of diseases of the kidney. Because the kidney performs so many critical functions, nephrologists maintain expertise in primary kidney disorders, but also the management of the systemic consequences of kidney dysfunction. Dr. Fred Lui and his group of four other nephrologists have provided services to San Mateo Medical Center (SMMC) patients since 2005.

**DISCUSSION:**

The County's need for nephrology services is increasing due to the aging of its patient population. SMMC will continue to meet this growing need through contracts with Dr. Lui and other nephrologists. Dr. Lui and his physicians will provide 8 half-day clinics per month and call coverage under the direction of the SMMC Department of Medicine, twenty-four hours a day, seven days a week, including inpatient and emergency care.

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.

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 100% of all nephrology services provided will adhere to the infection control standards as defined by the Joint Commission and the Title XXII of the State of California Code of Regulations, which will result in reduced risk of healthcare associated infections.

**PERFORMANCE MEASURE:**

<b>Measure</b>	<b>FY 2020-21 Estimated</b>	<b>FY 2021-22 Projected</b>
Percentage of nephrology services provided will adhere to the infection control standards as defined by the Joint Commission, Title XXII, and other applicable standards	100%	100%

**FISCAL IMPACT:**

The term of the agreement is November 1, 2020 through October 31, 2023. The amount of the agreement is not to exceed \$756,360 for the three-year term. Funds in the amount of \$252,120 are included in the SMMC FY 2020-21 Recommended Budget. Similar arrangements will be made for future years.

This contract's payment provisions have increased from the previous contract by 23%, based upon the 2019 Medical Group Management Association Provider Compensation and Production Report, a tool 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 are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.