



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 20-923

Board Meeting Date: 12/8/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Louise F. Rogers, Chief, San Mateo County Health
Subject: Amend Agreement between Verily Life Sciences LLC and County of San Mateo

RECOMMENDATION:

Adopt a resolution authorizing the Chief of San Mateo County Health, or the Chief's designee, to execute an amendment to the Agreement between Verily Life Sciences LLC and the County of San Mateo for COVID-19 screening and drive-thru sample collection and testing to increase the maximum amount payable under the agreement to \$7,000,000 and to add a Business Associates Agreement ("BAA") (Attachment H).

BACKGROUND:

Identifying positive COVID-19 cases through community testing opportunities continues to be a key component of both the State's and the County's pandemic response. Since September, the County has increased testing capacity seven-fold at County-supported community testing sites. These sites now include multiple daily stationary drive-through sites, a rotating drive-through testing operation, and daily mobile van and neighborhood testing events.

As part of the County's efforts to immediately increase testing capacity after the announcement of the Blueprint for a Safer Economy, the County entered into an Agreement with Verily Life Sciences LLC ("Verily") on September 23, 2020, to fund the rotating drive-through operation that currently performs on average 3,500 tests per week. The testing operation rotates among sites in San Bruno, South San Francisco, Half Moon Bay, North Fair Oaks, and East Palo Alto on a regular schedule. On September 29, 2020, pursuant to Resolution No. 077725, the Board of Supervisors authorized an amendment of the Agreement with Verily to increase the not-to-exceed amount to \$5,000,000 to cover the estimated costs of the rotating testing operation through the month of December 2020. A further amendment followed to update FEMA emergency provisions and to add additional terms and conditions that did not affect the amount of the Agreement.

DISCUSSION:

Demand for testing at County-supported community sites has reached its highest levels in San Mateo County in recent weeks, and it is anticipated to remain high throughout the holiday season and during the current surge in COVID-19 cases. Beginning December 1, 2020, the County increased testing

capacity by over 1,000 tests per day to achieve a capacity of more than 4,400 tests per day (five days per week) at County-supported testing sites. It is estimated that such capacity will be needed to meet community needs through the New Year.

The proposed amendment is designed to facilitate continued testing services at current levels through the holiday season and into 2021. The amendment increases the amount of the Agreement by \$2 million to a total not-to-exceed amount of \$7,000,000, which is the estimated amount needed to cover the costs of the Verily rotating drive-through operation through January 31, 2021. Although Verily does not yet bill health insurance for the per-test cost of \$128, Verily has targeted the end of December to initiate insurance billing, and pursuant to the terms of the Agreement, Verily will reimburse the County for any amounts paid by insurance. The proposed amendment also incorporates additional terms for purposes of compliance with HIPAA.

County staff is currently in the process of reviewing community testing vendors, including the capacity to successfully bill insurance for covered testing, to determine appropriate testing solutions to meet community demand and facilitate uninterrupted community testing opportunities beyond January 2021.

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

FISCAL IMPACT:

The costs of the agreement with Verily will be paid from CARES funds for services provided prior to December 30, 2020 and for services after December 30, 2020, from general fund or other monies received for pandemic response.