



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-780

Board Meeting Date: 10/5/2021

M 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 Harmony Healthcare, LLC to Provide Coding Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Harmony Healthcare, LLC to provide coding services for the term of November 1, 2021 through October 31, 2026, in an amount not to exceed \$1,250,000.

BACKGROUND:

San Mateo Medical Center (SMMC) has been contracting for ongoing as-needed support coding services since 1998. In June 2021, SMMC completed a Request for Proposals for coding services and Harmony Healthcare, LLC (Harmony) was chosen based on their experience in the industry and competitive pricing, in comparison to the proposals that were submitted.

DISCUSSION:

SMMC continues to have an ongoing need for support coding services and Harmony has agreed to meet or exceed SMMC's productivity standards.

County Counsel has reviewed and approved the resolution and agreement 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.

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

It is anticipated that Harmony will perform at an accuracy rate of 95% or higher when providing

coding services.

PERFORMANCE MEASURE:

Measure	FY 2021-22 Estimated	FY 2022-23 Projected
Accuracy rate that Harmony performs at when providing coding services	>95%	>95%

FISCAL IMPACT:

The term of the agreement is November 1, 2021 through October 31, 2026. The amount of the agreement is not to exceed \$1,250,000 for the five-year term. Funds in the amount of \$167,000 are included in the SMMC FY 2021-22 Approved Budget. Funds in the amount of \$250,000 are included in the SMMC FY 2022-23 Recommended Budget. Similar arrangements will be made for future years.

The total value of the new contract represents a 10% increase compared to that of the previous contract due to the addition of a contingency fund to account for possible added services as needed.

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.

ATTACHMENT:

RFP Matrix