



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 21-971

Board Meeting Date: 12/7/2021

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: Second Amendment to the Agreement with Medical Anesthesia Consultants Medical Group, Inc. to Provide Anesthesia and Pain Management Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Medical Anesthesia Consultants Medical Group, Inc., to provide anesthesia and pain management services, increasing the amount by \$170,400 to an amount not to exceed \$6,970,400, adjusting the term from March 1, 2021 through February 28, 2024 to February 1, 2021 through February 29, 2024, and revising the list of providers authorized to provide anesthesia and pain management services under the agreement.

BACKGROUND:

On February 25, 2020, San Mateo Medical Center (SMMC) completed a Request for Proposals (RFP) for anesthesia and pain management services. Medical Anesthesia Consultants Medical Group, Inc., (MAC), previously known as Golden State Anesthesia Consultants, Inc., has been providing anesthesia and pain management services at SMMC since 2013. MAC's prior agreement with SMMC expired on December 31, 2020.

Due to the COVID-19 pandemic and ongoing negotiations with the potential vendors, the selection of the new vendor was delayed. A vendor was selected and a proposed agreement beginning January 1, 2021 was sent to the Board for approval. However, before the Board could sign the agreement, the vendor informed SMMC of its decision not to contract with SMMC. To ensure the continued availability of anesthesia and pain management services while the RFP and contract negotiation process continued with other potential vendors, the SMMC Chief Executive Officer authorized two one-month agreements with MAC for anesthesia and pain management services for January 2021 and February 2021. On March 31, 2021, the Controller's Office notified SMMC that because the amount payable for the two one-month agreements exceeds \$200,000, the agreement for February 2021 must be approved by the Board of Supervisors.

DISCUSSION:

Ultimately, MAC was selected for a three-year agreement. The agreement was authorized by your Board for the term of March 1, 2021 through February 28, 2024 for an amount not to exceed \$6,800,000. To cover February 2021 anesthesia and pain management services, SMMC is now proposing to amend the current agreement with MAC, increasing the amount by \$170,400 to an amount not to exceed \$6,970,400, adjusting the term from March 1, 2021 through February 28, 2024 to February 1, 2021 through February 29, 2024, and to revise the list of providers authorized to provide anesthesia and pain management services under the 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's fiscal obligation by a maximum of \$25,000 (in aggregate).

It is anticipated that there will be no case cancellations by anesthesia for pre-existing conditions within one month of the procedure date, (and for surgeries scheduled less than 30 days in advance, within 24 hours of receiving the chart).

PERFORMANCE MEASURE:

Measure	FY 2021-22 Estimated	FY 2022-23 Projected
Percentage of case cancellations by anesthesia for pre-existing conditions within one month of the procedure date, (and for surgeries scheduled less than 30 days in advance, within 24 hours of receiving the chart)	0%	0%

FISCAL IMPACT:

The term of the amended agreement is February 1, 2021 through February 29, 2024. The amount of the amended agreement is not to exceed \$6,970,400 for the 37-month term. This amendment increases the contract amount by \$170,400. Funds in the amount of \$170,400 are included in the SMMC FY 2021-22 Adopted Budget. Similar arrangements will be made for future years.

The payment provisions of this contract are based on the median rates for Anesthesia in the 2019 Medical Group Management Association Provider Compensation and Production Report, which SMMC uses to benchmark its contracted provider rates.

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.