



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 22-498

Board Meeting Date: 6/28/2022

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: Amendment to the Agreement with Med-Metrix, LLC to Provide Accounts Receivable Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Med-Metrix, LLC to provide accounts receivable services, extending the term by one year through May 31, 2023, and increasing the amount by \$600,000, to an amount not to exceed \$1,250,000.

BACKGROUND:

San Mateo Medical Center's (SMMC) Patient Financial Services (PFS) department has been using external resources to collect revenue for services provided at SMMC and its clinics since June 2020. This Board approved a waiver of the Request for Proposals process and an agreement with Med-Metrix, LLC for the term June 1, 2020 through May 31, 2022, in an amount not to exceed \$650,000. Med-Metrix is paid on a contingency fee basis only when additional cash collections have been received on commercial accounts and successfully exceeded SMMC's initial expectation by increasing cash collections by 31% above the average monthly target of \$300,000.

DISCUSSION:

SMMC has a continuing need for external resources to support its PFS department through the implementation of a new Claim Scrubbing system, audit reporting to the Office of Inspector General, and compliance with Assembly Bill 1020 implementation. In addition, PFS will be involved in the selection and implementation of a new Electronic Health Record. Each of these projects are time-sensitive and requires full commitment of PFS staff and stakeholders. A lapse of support in vendor services would negatively impact SMMC in terms of cash collection, customer service, and billing compliance. For these reasons, SMMC is requesting this Board extend the term of the agreement through May 31, 2023, with an associated increase in funding of \$600,000 to a not to exceed amount of \$1,250,000. This amendment is coming to this Board late due to delays related to the SMMC budget analysis process.

County Attorney has reviewed and approved the resolution and amendment 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 SMMC will see an average of \$300,000 of monthly cash collections from commercial payors.

PERFORMANCE MEASURE:

Measure	FY 2021-22 Actual	FY 2022-23 Target
Average monthly cash collected from commercial payors	\$394,000	\$300,000

FISCAL IMPACT:

The term of the amended agreement is June 1, 2020, through May 31, 2023. The amount of the amended agreement is not to exceed \$1,250,000. The amendment increases the amount payable under the agreement by \$600,000 for the three-year term. Funds in the amount of \$50,000 are included in the SMMC FY 2021-22 Adopted Budget. Funds in the amount of \$550,000 will be included in the SMMC FY 2022-23 Recommended Budget.

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.