



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 22-1004

Board Meeting Date: 12/13/2022

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: Agreement with Hong Zheng, D.O., Inc. to Provide Cardiology Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Hong Zheng, D.O., Inc. to provide cardiology services for the term of January 1, 2023, through June 30, 2024, in an amount not to exceed \$438,087.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. This includes services for cardiology disorders and the management and supervision of those services. Since 2020 Hong Zheng, D.O., Inc. has provided cardiology services for San Mateo Medical Center (SMMC). The County's need for these cardiology services is increasing due to the aging of its patient population.

DISCUSSION:

Under this agreement, Hong Zheng, D.O., Inc. has agreed to provide a minimum of 72 four-hour cardiology clinics per year and 96 four-hour testing clinics, which include Transesophageal Echocardiogram interpretations, Electrocardiogram readings, Stress Echocardiograms, Stress Tests, and Holter Monitors. Dr. Zheng will also provide call coverage.

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 the County Attorney 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 consulted patients discharged with Acute Myocardial Infarction will be

on antiplatelet and angiotensin-converting enzyme (ACE) / angiotensin II receptor blockers (ARB) therapy, and 100% of consulted patients discharged with CHF will be on ACE / ARB / angiotensin receptor-neprilysin inhibitor (ARNI) therapy.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Estimated	FY 2023-24 Projected
Percentage of consulted patients discharged with Acute Myocardial Infarction on antiplatelet and ACE/ARB therapy	100%	100%
Percentage of consulted patients discharged with CHF that are on ACE/ARB/ARNI therapy	100%	100%

FISCAL IMPACT:

The term of the agreement is January 1, 2023 through June 30, 2024. The amount of the agreement is not to exceed \$438,087 for the 18-month term. Funds in the amount of \$146,029 are included in the SMMC FY 2022-23 Adopted Budget. Funds in the amount of \$292,058 are included in the SMMC FY 2023-24 Recommended Budget.

The payment provisions and levels of services in this contract differ from that of the previous contract. Specifically, the total value of the new contract represents a 20% increase compared to that of the previous contract due to an increase in compensation based on VMG Health, a nationally recognized medical services valuation firm which indicates that an hourly rate of \$270 is within fair market value for independently contracted cardiology services. All compensation to the provider was negotiated at arm's length and is reasonably needed based on the need to continue these services for County's patients. In addition, the provider is performing an additional 24 clinics to meet patient demand.

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.