



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 22-900

Board Meeting Date: 11/15/2022

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 Hubert Shih, MD to Provide Plastic Surgery Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Hubert Shih, MD to provide plastic surgery services for the term of December 1, 2022 through November 30, 2025, in an amount not to exceed \$1,184,040.

BACKGROUND:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. Since September 2018, Hubert Shih, MD has provided plastic surgery services for San Mateo Medical Center (SMMC).

DISCUSSION:

San Mateo County is responsible for providing necessary medical care to its medically indigent population. Under this agreement, Hubert Shih, MD has agreed to provide a minimum of 144 four-hour outpatient clinic and surgery clinics per year and provide on call coverage 183 days per year.

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 Dr. Shih will review incoming referrals within one business day for urgent cases and three business days for routine cases 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Projected	FY 2023-24 Projected
Percentage of incoming referrals reviewed within one business day for urgent cases and three business days for routine cases.	100%	100%

FISCAL IMPACT:

The term of the agreement is December 1, 2022 through November 30, 2025. The amount of the agreement is not to exceed \$1,100,000 for the three-year term. Funding in the amount of \$213,889 are included in the SMMC FY22-23 Adopted Budget. Funding in the amount of \$366,666 are included in the SMMC FY23-24 Recommended Budget. Similar arrangements will be made for future years.

The payment provisions and levels of services in this contract differ from that of the previous contract, with the new contract reflecting an annualized 31% increase. This reflects increases in hourly compensation for Dr. Shih's clinic and operating room coverage (8% increase compared to the previous agreement) and on-call coverage (95%). The agreement also contains additional non-clinic time, in order for Dr. Shih to follow-up with patients seen during clinic. The rates for Dr. Shih's services are within "fair market value" as indicated by Value Management Group (VMG) Health, well known for medical services valuation in the health care industry. VMG Health does not rely on a single published survey but conducts a meta-analysis of multiple well known survey publishers to obtain the broadest possible data set to support. Previously SMMC relied upon a single publisher of physician compensation statistics, Medical Group Management Association, whose physician compensation data is included within VMG Health's broader set of data.

Expenses at SMMC are covered by fees for services or third-party payers 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.