



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-116

Board Meeting Date: 2/28/2023

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 Crossroads Health LLC to Provide Overpayment and Credit Balance Resolution Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Crossroads Health LLC to provide overpayment and credit balance resolution services, increasing the amount by \$1,248,075 to an amount not to exceed \$1,608,075.

BACKGROUND:

In accordance with 42 U.S.C. § 1320a-7k(d) of the Medicare and Medicaid program integrity provisions and other applicable regulations, credit balances on accounts receivables, which are primarily from Medicaid and other insurers, must be identified, and an overpayment resolution initiated, to return the funds to the payer, 60 days after discovery. San Mateo Medical Center (SMMC) is responsible for achieving its goals relating to the compliant, accurate and timely resolution of credit balances and overpayments. Crossroads Health LLC (Crossroads) has been providing overpayment and credit balance services to SMMC since April 2021.

In December 2021, SMMC completed a Request for Proposals (RFP) and Crossroads was elevated because of their documented effectiveness in resolving overpayments and credit balances.

On April 5, 2022, SMMC entered into a new agreement with Crossroads for the term of April 1, 2022, through March 31, 2023, in an amount not to exceed \$120,000, with subsequent amendments extending the term through March 31, 2025, and increasing the amount by \$240,000 to an amount not to exceed \$360,000.

DISCUSSION:

When the RFP was originally completed in December 2021, the projection for the monthly number of credit balances that needed to be resolved by an outside vendor was 1,200. Since that time, the volume of credit balances has increased substantially, due to additional compliance audits being

performed. These additional audits are the result of SMMC’s recent Federal Corporate Integrity Agreement, as well as SMMC’s expansion of its auditing program to include more proactive monitoring of high-risk areas.

Because of this increased audit workload, existing SMMC staff are finding it difficult to process credit balances in the timeframe required by the Medicare and Medicaid program regulations. As a result, SMMC is enlisting Crossroads to increase its services provided, resolving approximately 4,800 accounts per month going forward, to ensure that SMMC is in compliance with Medicare and Medicaid requirements.

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 100% of SMMC’s credit balances in accounts receivables will be identified and resolution offered to the payor within 60 days of discovery.

PERFORMANCE MEASURE:

| Measure | FY 2022-23 Estimated | FY 2023-24 Projected |
|--|-----------------------------|-----------------------------|
| Percentage of SMMC’s credit balances in accounts receivables identified, and resolution offered to the payor within 60 days of discovery | 100% | 100% |

FISCAL IMPACT:

The term of the amended agreement is April 1, 2022, through March 31, 2025. This amendment increases the agreement amount by \$1,248,075 to an amount not to exceed \$1,608,075 for the three-year-term. Funds in the amount of \$397,350 are included in the SMMC FY 2022-23 Adopted Budget. Funds in the amount of \$674,700 will be included in the SMMC FY 2023-24 Recommended Budget. Similar arrangements will be made for future years.

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.