



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-778

Board Meeting Date: 9/26/2023

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 Alan McBride to Provide Reimbursement Management Consulting Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Alan McBride to provide reimbursement management services, extending the term by one-year through September 30, 2024, and increasing the amount by \$200,000, to a new maximum amount not to exceed \$400,000.

BACKGROUND:

As a public hospital, San Mateo Medical Center (SMMC) serves a broad mix of patients, and the federal and State regulations governing reimbursement for medical services provided by SMMC are complex. Approximately 60% of SMMC's annual revenue comes from federal and State reimbursement programs, such as Medicaid's Disproportionate Share Hospital program, the California Department of Health Care Services' (DHCS) Medicaid 1115 Waiver, Medi-Cal, Medicare, and other programs. In addition, the recently enacted Medicaid Managed Care Rule resulted in new funding programs.

Administering hospital reimbursement functions for these programs requires a high level of knowledge and experience due to the program's complexity and documentation requirements. SMMC requires support from a consultant who can analyze the hospital's participation in these various programs and ensure that SMMC submits accurate cost reports and other requested documentation to support the ongoing reimbursement. Alan McBride has been providing reimbursement-related services at SMMC on a contracted basis since September 2015.

In August 2022, the Chief Executive Officer approved an agreement with Alan McBride to provide reimbursement management services for the term of October 1, 2022, through September 30, 2023, in an amount not to exceed \$200,000.

DISCUSSION:

Mr. McBride has an extensive background in this subject area, including experience working as a reimbursement manager for the County of Alameda and previously serving as Chief Financial Officer for multiple hospitals. In addition, SMMC anticipates a change in its current Centers for Medicare & Medicaid Services (CMS) waiver reporting requirements, and Mr. McBride has the specialized knowledge and skills that will be needed to respond to CMS and DHCS inquiries, prepare the reports necessary to comply with these new regulations.

Public hospital finance in California is a unique type of expertise, with an inherently limited pool of qualified individuals. Due to the highly specialized skills needed to fulfill this position, SMMC is requesting waiver of the Request for Proposals process because of SMMC's continuing need to utilize Mr. McBride's services under non-emergency general exemptions set forth in County Administrative Memorandum B-1 Section IV.C.2. and C.4. along with the fact that Mr. McBride's services are a continuation of an ongoing service with unique performance factors given his personal expertise in federal and state health care billing requirements. However, as part of his responsibilities, Mr. McBride is also working with an internal (employee) team to transfer his knowledge of public hospital finance and build SMMC's capacity in this field; SMMC plans to reevaluate the need for a future contract with an external vendor over the next year.

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's financial reporting requirements will be submitted to meet CMS / DHCS deadlines 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Percentage of time reporting requirements will be submitted to meet CMS / DHCS deadlines	100%	100%

FISCAL IMPACT:

The term of the amended agreement is October 1, 2022, through September 30, 2024. The amendment increases the amount payable under the agreement by \$200,000 to an amount not to exceed \$400,000 for the two-year term. Funds in the amount of \$150,000 are included in the SMMC FY 2023-24 Recommended Budget. Funds in the amount of \$50,000 will be included in the SMMC FY 2024-25 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.