



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-934

Board Meeting Date: 11/14/2023

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 Colburn Hill Group, Inc. to Provide a Patient Accounts Receivable Management Software System

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Colburn Hill Group, Inc. to provide a patient accounts receivable management software system, extending the term through December 31, 2025, and increasing the amount by \$1,096,800 to a maximum amount not to exceed \$2,821,800 and to reassign the agreement from Colburn Hill Group, Inc to Advata, Inc. dba Colburn Hill Group, Inc.

BACKGROUND:

In October 2018, San Mateo Medical Center (SMMC) completed a Request for Proposals (RFP) for a patient accounts receivable management software system to streamline and automate SMMC's manual process to track accounts receivable accounts.

In January 2019, the Board approved an agreement with Pinecrest Partners Healthcare, LLC dba Colburn Hill Group (CHG) to provide a patient accounts receivable management software system for the term of January 1, 2019, through December 31, 2021, in an amount not to exceed \$1,000,000. The agreement was subsequently amended to add additional services, such as robotics and automation, to augment staff and reassign the agreement from Pinecrest Partners Healthcare, LLC dba CHG to Advance Revenue Cycle, Inc. dba CHG.

In September 2021, the Board approved an amendment to the agreement with Advance Revenue Cycle, Inc. dba CHG, extending the term through December 31, 2023, and increasing the amount by \$700,000 to a maximum amount not to exceed \$1,700,000. The agreement was subsequently amended to increase the amount by \$25,000 to a maximum amount not to exceed \$1,725,000, as well as reassign the agreement from Advance Revenue Cycle, Inc., dba Colburn Hill Group to Advata, Inc. dba CHG.

DISCUSSION:

SMMC continues to need a patient accounts receivable management software system, robotics, and automation to sustain current workflows without a break in service while SMMC transitions to Epic. It is projected that such services will be needed to support the current Invision system workflows to work down pre-Epic accounts receivable balances through 2025. Additionally, SMMC plans to evaluate the future needs for this type of service with the Epic system and will issue an RFP if necessary. Finally, CHG was acquired by Advata, Inc., requiring an amendment to reassign the agreement.

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).

The County's Contract Compliance Committee has approved a waiver request for a seven-year term for this agreement.

It is anticipated that the percentage of aging accounts over 180 days will be reduced by 10%.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Percentage in reduction of aging accounts over 180 days	10%	10%

FISCAL IMPACT:

The term of the amended agreement is January 1, 2019, through December 31, 2025. The amendment increases the amount payable under the agreement by \$1,096,800 to an amount not to exceed \$2,821,800 for the six-year term. Funds in the amount of \$540,000 are included in the SMMC FY 2023-24 Adopted Budget. Funds in the amount of \$556,800 will be included in the SMMC FY 2024-25 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 those covered by programs that do not meet the full care costs is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.