

COUNTY OF SAN MATEO
Departmental Correspondence

DATE: July 13, 2001

HEARING DATE: July 24, 2001

TO: Honorable Board of Supervisors

FROM: Timothy B. McMurdo, Director, Hospital & Clinics Division TM
M

SUBJECT: Amendment to the Agreement with Medical Associates of San Mateo County, Inc.

RECOMMENDATION

Approve a Resolution authorizing the President of the Board to:

- 1) execute an amendment to the agreement with Medical Associates of San Mateo County, Inc. (MASMC)
- 2) approve an Appropriation Transfer Request (ATR) in the amount of \$227,250

Background

Health Services has contracted with Medical Associates of San Mateo County (MASMC) since 1998 to provide medical care to clients through the Independent Physician Association (IPA). In October 2000, your Board approved a \$240,000 agreement with MASMC to provide an augmentation payment to be used only for payment to California Emergency Physicians (CEP), a MASMC sub-contractor. The term of this agreement was July 1, 2000 through June 30, 2001 and provided for an hourly rate of \$106 to be paid to CEP physicians.

San Mateo County General Hospital (SMCGH) provides 24 hours, 7 days per week emergency room services through the agreement with MASMC. Part of the negotiation of the agreement was that, in the event emergency physician rates fell below the community standard, the county would raise the rates in order to retain qualified physician services and ensure adequate staffing. The following table shows a comparison of hourly rates for emergency physicians working in hospitals located on the Peninsula. The rate paid to emergency physicians at San Mateo County General is lower than the rate paid by other Peninsula Hospitals.

Hospital	A	B	C	D	SMCGH
Hourly Rate	\$139	\$167	\$170	\$200	\$106

In May 2000, SMCGH raised the rate to \$106 per hour, which was still below the community average rate. This amendment increases the hourly rate from \$106 to \$120 and extends the term of the agreement

one year. SMCGRH's Emergency Department is experiencing difficulty retaining qualified physicians. If the County does not increase emergency physicians' rates, the hospital will be at risk of losing board certified emergency physicians who provide the basic physician coverage in the hospital's 24-hour Emergency Department. California Emergency Physicians also pays for the cost of two physician assistants.

The Hospital currently has another contract with MASMC to provide all types of medical care to county patients and coordinate ongoing care to patients at SMCGRH and affiliated clinics for a fixed rate of compensation. This agreement is for \$45,855,856 for the term April 1, 1998 through March 31, 2002. Hospital Administration is in the process of incorporating the total amounts reimbursed for Emergency Department services under a single contract through negotiations for the renewal of the physician IPA agreement, expected to be completed by March 2002.

Term and Fiscal Impact

This amendment extends the term of the agreement nine months, from July 1, 2001 through March 31, 2002, making the new term of the agreement July 1, 2000 through March 31, 2002. With the anticipated negotiation of a new IPA contract beginning April 1, 2002, this agreement will be terminated at that date and terms will be incorporated into the new IPA agreement.

This amendment also increases the contract maximum amount from \$240,000 to \$647,250. The original agreement with MASMC was for \$240,000, which accommodated a pay rate to emergency room physicians of \$106/hour. This amendment increases the contract maximum amount by \$407,250, of which \$180,000 maintains the rate of \$106/hour and \$227,250 covers the pay rate increase to \$120 per hour, as negotiated. Funding to maintain the \$106 per hour rate is included in the Hospital and Clinics approved budget for 2001-02. The \$227,250 required for the rate increase is not currently budgeted.

Effective July 1, 2001, the HPSM implemented an increase in outpatient payment rates, based on a legal settlement recently approved by the State of California to increase outpatient Medi-Cal rates. These funds, which are not currently budgeted, will be used to cover the increase in the CEP physicians' hourly rate. The attached ATR recognizes \$227,250 in additional revenue from the HPSM and appropriates the funding necessary for the physician rate increase.

RECOMMENDED


HEALTH SERVICES

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING AN AMENDMENT TO AN AGREEMENT WITH
MEDICAL ASSOCIATES OF SAN MATEO COUNTY, INC. AND APPROVING AN
APPROPRIATION TRANSFER REQUEST IN THE AMOUNT OF \$227,250.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of
California, that;

WHEREAS, there has been presented to this Board of Supervisors for its consideration
and acceptance an Amendment to an Agreement, reference to which is hereby made for further
particulars, whereby Medical Associates of San Mateo County, Inc will provide emergency
medical services in the Surgery and Emergency Departments; and

WHEREAS, this Board has been presented with a form of the Amendment to the
Agreement and has examined and approved it as to both form and content and desires to enter
into the Amendment to the Agreement:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the
President of this Board of Supervisors be, and is hereby authorized and directed to 1) execute said
Amendment to the Agreement and 2) approve an ATR in the amount of \$227,250 for and on behalf of
the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

AMENDMENT TO THE AGREEMENT
WITH MEDICAL ASSOCIATES OF SAN MATEO COUNTY, INC.
FOR EMERGENCY MEDICAL SERVICES

THIS AGREEMENT, entered into this _____ day of _____, 2001, by and between the COUNTY OF SAN MATEO (hereinafter called "County") and MEDICAL ASSOCIATES OF SAN MATEO COUNTY, INC., a California Corporation, (hereinafter called "Contractor"),

W I T N E S S E T H:

WHEREAS, on October 3, 2000, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") for the furnishing of certain services by Contractor to County as set forth in that Original Agreement; and

WHEREAS, it is now the mutual desire and intent of the parties hereto to amend and clarify that Original Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED between the parties that the Original Agreement is amended as follows:

1. Section 2, Payments, Paragraph A, Maximum Amount, of the Original Agreement is hereby amended to read as follows:

“2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed SIX HUNDRED FORTY-SEVEN THOUSAND TWO HUNDRED FIFTY DOLLARS (\$647,250) for the contract term.”

2. Section 6, Non-Discrimination, is hereby amended to read as follows:

“6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges

are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.”

3. Section 12, Term of the Agreement, of the Original Agreement is hereby amended to read as follows:

“12. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from July 1, 2000 through March 31, 2002. This Agreement may be terminated by Contractor, Director of Health Services or her designee at any time upon thirty (30) days' written notice to the other party.”

4. Schedule B, Payments, I. , third paragraph, Other Provisions, is hereby amended to read as follows:

“Other Provisions:

- A. This contract authorizes only payment for services provided to patients inside San Mateo County General Hospital and at its outpatient clinic service.
- B. Funds paid to Contractor shall be used only for payment to California Emergency Physicians.
- C. For the period July 1, 2000 through June 30, 2001, County shall pay Contractor a flat monthly fee of \$20,000.
- D. For the period July 1, 2001 through March 31, 2002, County shall pay Contractor a flat monthly fee of \$45,250.
- D. In no event shall County's total fiscal obligation pursuant to this contract exceed SIX HUNDRED FORTY-SEVEN THOUSAND TWO HUNDRED FIFTY DOLLARS (\$647,250)”

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that:

1. These amendments are hereby incorporated and made a part of the Original Agreement and subject to all provisions therein.
2. All provisions of the Original Agreement, including all references to audit and fiscal management requirements unless otherwise amended hereinabove, shall be binding on all the parties hereto.
3. All provisions of the Original Agreement, including all monitoring and evaluation requirements, shall be applicable to all amendments herein.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Agreement of October 3, 2000, be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hand on the day and year first above written.

COUNTY OF SAN MATEO

MEDICAL ASSOCIATES
OF SAN MATEO COUNTY, INC.

By: _____

Michael D. Nevin
President, Board of Supervisors

By: _____

Date: _____

Date: _____

ATTEST:

By: _____

Clerk of Said Board

Date: _____

SCHEDULE C

Contract between County of San Mateo and Medical Associates of San Mateo County, Inc. , hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: _____

Contact Person: _____

Address: _____

Phone Number: _____ Fax Number: _____

II Employees

Does the Contractor have any employees? ____ Yes ____ No

Does the Contractor provide benefits to spouses of employees? ____ Yes ____ No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- ☐ Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- ☐ Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- ☐ No, the Contractor does not comply.
- ☐ The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this ____ day of _____, 20__ at _____, _____
(City) (State)

Signature

Name (Please Print)

Title

Contractor Tax Identification Number