



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System

DATE: July 22, 2009
BOARD MEETING DATE: August 25, 2009
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Interim Chief Executive Officer
San Mateo Medical Center

SUBJECT: Position changes at San Mateo Medical Center

RECOMMENDATION:

Adopt an Ordinance amending the salary ordinance to add and delete positions in the San Mateo Medical Center division of the Health System.

BACKGROUND:

The Director of Payor and Provider Contracting (DPP) function has been difficult to fill and retain. The classification for the position was Financial Services Manager II. Your Board authorized a contract with HFS Consultants pursuant to which that organization has assisted the San Mateo Medical Center (SMMC) with physician and payor contracting. HFS has successfully negotiated a substantial number of physician and payor contracts. The contract with HFS was intended to be an interim measure.

In order to address recruitment and retention issues, SMMC requested that the Human Resources Department conduct a classification and salary review. As a result, and based on market comparability, the new classification of Director, Payor and Provider Contracting was created.

DISCUSSION:

Contracts that are handled by the DPP are mainly with doctors, health plans and hospitals. Because of the sensitivity and high dollar values, it is imperative that these contracts be aggressively negotiated and processed in a timely manner by an individual with substantial skills and experience in dealing with such contracts.

The addition and deletion of positions will allow SMMC to undertake a recruitment of

an individual to conduct complex negotiations and provide a depth and continuity necessary for hospital operation.

The salary ordinance changes herein represent:

Deletion of one position

- Addition of one position.

Below is a summary of the requested salary ordinance changes to implement the personnel recommendations at SMMC:

Action : Delete one (1) position of D060 Financial Services Manager II

Add one (1) position of D071 Director of Payor and Provider Contracting

Explanation: The primary responsibilities of this position will be to negotiate healthcare contracts for the SMMC, including outside medical services, insurance/health plans, physician contracts and service agreements, while also improving maintenance of contract database and claims systems. This change represents an annual increased cost of approximately \$12,000 over the cost of the position if staffed by a Financial Services Manager II, with no change to the total number of authorized positions.

This Amendment has been reviewed and approved by County Counsel.

Approval of this Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community. By approaching issues with a view towards fiscal accountability and a concern for future impacts of these changes, the San Mateo Medical Center will be best positioned to meet management challenges and ensure patient safety and quality.

Performance Measure:

Measure	FY 2008-09 Actual	FY 2009-10 Projected
Amount of savings in spending on professional contracts	\$1,340,000	\$2,150,000

FISCAL IMPACT:

This action represents an increase in monthly salary cost for the position of \$992, or an annual increased cost of \$11,904. This increased cost has been included in the SMMC tentatively Adopted FY 2009-10 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 are covered by the County's General Fund contribution to SMMC.