



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

Health System

**DATE:** July 14, 2009  
**BOARD MEETING DATE:** September 15, 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:** Amendment to the Agreement with Kaiser Foundation Hospitals

**RECOMMENDATION:**

Adopt a Resolution authorizing the President of the Board to execute Amendment No. 3 to the Agreement with Kaiser Foundation Hospitals to provide hospital services, extending the term through December 31, 2009, for a new term of November 1, 2005 through December 31, 2009,

**BACKGROUND:**

In November 2005 the County entered into an Agreement with Kaiser Foundation Hospitals (Kaiser) to provide hospital services for Kaiser patients for a term of three years from November 1, 2005 through October 31, 2008.

When this Agreement was approved by the County Manager, it was anticipated that the amount to be received from Kaiser would not exceed \$100,000 for the term of the Agreement. However, the County has received more than \$500,000 each fiscal year or \$1,112,982 through FY 2007-08. These funds were generated through Kaiser patients receiving services through the San Mateo Medical Center (SMMC) Emergency Department. Due to the proximity to the Kaiser patient's homes, SMMC may be the nearest Emergency Service Facility.

**DISCUSSION:**

Kaiser and SMMC are currently in negotiations to establish a new Hospital Services

Agreement. Kaiser has requested an Amendment to the existing Hospital Services Agreement to extend the term through December 31, 2009. This extension will allow Kaiser to make payments to SMMC and also allow time for continued negotiations.

This contract Amendment was delayed due to combining the extension effort with an expanded Agreement between San Mateo County and Kaiser to provide additional services for Kaiser patients. The supplemental Agreement expanding services will be presented to your Board at a later date.

The Health System Redesign Initiative Team has reviewed and approved this Amendment. County Counsel has reviewed and approved the Resolution and Amendment as to form.

A Request for Waiver to extend the Agreement beyond three years was approved by the County Manager on August 6, 2009.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

Approval of this Amendment contributes to the Shared Vision 2025 outcome of a Healthy Community by providing emergency hospital services to patients of Kaiser when needed. It is anticipated that more than 80% of patient satisfaction surveys will rate the service provided by the Emergency Department as good or excellent. A rating of 80% indicates high quality patient care and meets Joint Commission of American Hospital guidelines for accreditation.

**Performance Measure:**

<b>Measure</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Projected</b>
Percent of patients rating overall satisfaction with Emergency Department visit as good or excellent	>80%	>80%

**FISCAL IMPACT:**

The original term of the Agreement is November 1, 2005 through October 31, 2008. The Amendment extends the term of the Agreement through December 31, 2009. 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.