



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



DATE: May 11, 2011
BOARD MEETING DATE: June 7, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

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

SUBJECT: Amendment to the Agreement with the Broadlane Group, Inc./
MedAssets Supply Chain Systems, LLC

RECOMMENDATION:

Adopt a Resolution Authorizing the:

- A) President of the Board to execute an amendment to the Agreement with the Broadlane Group, Inc./MedAssets Supply Chain Systems, LLC for the term of February 1, 2011 through January 31, 2016, with two one-year extensions, for professional registry staffing services with a maximum fiscal obligation of \$16,569,000 in aggregate for all Proluent Workforce Management-related services; and
- B) Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

BACKGROUND:

On January 25, 2011, your Board approved an Agreement with MedAssets Supply Chain Systems, LLC (MedAssets) to provide a group purchasing organization program (GPO) for the County of San Mateo and San Mateo Medical Center (SMMC), On April 26, 2011, your Board approved an amendment to add the Broadlane Group, Inc. as an affiliate and to extend the term though January 31, 2016 among other changes.

MedAssets contracts with vendors that provide commodities and services at discounted rates. Proluent Workforce Management is a service provided under the GPO that would allow SMMC to utilize professional registry staffing (PRS) agreements at volume-negotiated rates. SMMC uses PRS services to augment permanent nursing and other professional staff when necessary.

DISCUSSION:

SMMC recently had 13 agreements with PRS vendors for a total obligation of \$7,500,000 between 2008 and 2011. A Request for Proposals was issued in February 2011 to continue PRS services. When the proposals were compared to the GPO PRS rates, it was clear that SMMC would achieve over \$900,000 in savings over the term of the Agreement by using the GPO's PRS agreements and would benefit from using the GPO's staff scheduling software provided at no cost. This Resolution authorizes SMMC to pay about \$2,500,000 per year for seven years for all temporary services up to \$16,569,000. The County can terminate the GPO at any time without cause.

County Counsel has reviewed and approved this Amendment and Resolution as to form. The Contractor's insurance has been reviewed and approved by Risk Management.

MedAssets has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions required by County ordinance and administrative memoranda. However, contracts between MedAssets and its PRS vendors cannot be changed to require compliance with County ordinances such as equal benefits, non-discrimination and employee jury service. Compliance will be requested but not required of the GPO PRS vendors. The County Manager has previously approved a waiver of Equal Benefits, Non-discrimination and Employee Jury Service requirements, as well as the three-year limit on contracts, in relation to the MedAssets GPO and services provided under the GPO.

This Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing access to quality care for SMMC patients. It is anticipated that SMMC's cost per adjusted patient day will increase from \$881 to \$918.

Performance Measure:

Measure	FY 2009-10 Actual	FY 2010-11 Projected
SMMC cost per adjusted patient day	\$881	\$918*

*Due to increase in operating costs

FISCAL IMPACT:

The term of the Agreement remains February 1, 2011 through January 31, 2016, with two one-year extensions, and the aggregate maximum obligation of services obtained under the Statement of Work is \$16,569,000. Funds for these services have been included in the SMMC FY 2011-12 Recommended Budget. In subsequent years, funds will be included in future Budgets. Expenses at SMMC are covered by fees for service or third party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs not meeting the full cost of care are covered by the County's General Fund contributions to SMMC.

RESOLUTION NO. _____

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

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RESOLUTION AUTHORIZING THE: A) PRESIDENT OF THE BOARD TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH THE BROADLANE GROUP, INC./MEDASSETS SUPPLY CHAIN SYSTEMS, LLC FOR THE TERM OF FEBRUARY 1, 2011 THROUGH JANUARY 31, 2016, WITH TWO ONE-YEAR EXTENSIONS, FOR PROFESSIONAL REGISTRY STAFFING SERVICES WITH A MAXIMUM FISCAL OBLIGATION OF \$16,569,000 IN AGGREGATE FOR ALL PROLUCENT WORKFORCE MANAGEMENT-RELATED SERVICES; AND B) CHIEF OF THE HEALTH SYSTEM OR DESIGNEE TO EXECUTE CONTRACT AMENDMENTS WHICH MODIFY THE COUNTY'S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN \$25,000 (IN AGGREGATE), AND/OR MODIFY THE CONTRACT TERM AND/OR SERVICES SO LONG AS THE MODIFIED TERM OR SERVICES IS/ARE WITHIN THE CURRENT OR REVISED FISCAL PROVISIONS

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

WHEREAS, SMMC uses professional registry staffing (PRS) services to augment permanent nursing and other professional staff when necessary; and

WHEREAS, previously San Mateo Medical Center (SMMC) had 13 separate agreements with PRS vendors; and

WHEREAS, Proluent Workforce Management is a service provided under the MedAssets Supply Chain Systems, LLC (MedAssets) contract with the County—which provides SMMC with a Group Purchasing Organization (GPO) and its attendant access to discounted goods and services—that would allow SMMC to utilize PRS service agreements at volume-negotiated rates; and

WHEREAS, a Request for Proposals was done in February 2011 to continue PRS services; and

WHEREAS, when the submitted proposals were compared to the GPO PRS rates, it was clear that SMMC would achieve over \$131,000 in savings by using the GPO's PRS agreements and would benefit from using staff scheduling software provided at no cost by the GPO; and

WHEREAS, both parties now wish amend the Agreement to provide GPO PRS services for the period of June 7, 2011 through January 31, 2016, with two one-year extensions, allowing SMMC to utilize Prolucent Workforce Management agreement for PRS staffing services with a maximum fiscal obligation of \$16,569,000 in aggregate, for all Prolucent Workforce Management-related services; and

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

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the President of this Board of Supervisors be and is hereby authorized and directed to execute said Amendment for and on behalf of the County of San Mateo, the Clerk of the Board shall attest the President's signature thereto, and San Mateo Medical Center is authorized to utilize staffing services under said Amendment up to a maximum fiscal obligation of \$16,569,000 in aggregate for all Prolucent workforce management-related services.

BE IT FURTHER RESOLVED that the Chief of the Health System or designee

is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

* * * * *

SOW 2
WORKFORCE MANAGEMENT SERVICES AND SOFTWARE

THE UNDERSIGNED PARTIES ACKNOWLEDGE AND AGREE THAT THIS SOW IS MADE PART OF THE MASTER SERVICES AGREEMENT BETWEEN SAN MATEO COUNTY AND MEDASSETS SUPPLY CHAIN SYSTEMS, LLC DATED AS OF THE 25TH DAY OF JANUARY, 2011 (THE 'AGREEMENT').

1. Term and Termination.

1.1 SOW 2 Term. The term of the workforce management services and software (the "Workforce Services") provided under this SOW 2 by Prolucent Workforce Management ("Prolucent") shall commence upon the last date signed below (the Workforce Services Effective Date" and continue for the remainder of the Term of SOW 1.

1.2 SOW 2 Termination. If San Mateo or Prolucent breaches any material provision of this SOW, the non-breaching Party shall provide written notice of the breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching Party has not cured the breach, then the non-breaching Party may, in its discretion, terminate this SOW by providing a letter of termination to the breaching Party that specifies the exact date of termination.

2. **Covered Facilities.** Individual sites covered by this SOW (each a "Covered Facility" for the purposes of this SOW) are listed below. Each site must be listed individually (i.e. multiple sites cannot be grouped under a common name). MedAssets has no obligation to provide the Workforce Services to any site not specifically listed below.

<i>NAME</i>	<i>ADDRESS</i>	<i>CITY</i>	<i>ST</i>	<i>ZIP</i>
San Mateo Medical Center (SMMC)	222 W 39 th Ave.	San Mateo	CA	94403

3. Intentionally Omitted.

4. **Fees.** Prolucent is compensated for its services under this SOW by collecting and retaining administrative fees from Agencies. Prolucent shall notify San Mateo (or relevant Covered Facilities) in writing of the fees collected. These fees may (but generally do not) exceed 3% of the purchase price of the services. This clause survives so long as San Mateo continues to purchase through Agency Agreements. So that Prolucent can track administrative fees, San Mateo shall provide reconcilable quarterly accounts payable, purchasing, and other relevant data detailing its and each Covered Facility's purchases through Agency Agreements. Administrative fees derived from Prolucent's Agency Agreements are excluded from any revenue sharing arrangement between San Mateo and MedAssets or any of its Affiliates, and are specifically excluded from the Shareback of Administrative Fees set forth in SOW 1, Section 5.3.6.

5. Description, Deliverables and Obligations of the Parties.

5.1 Prolucent Services Generally. Prolucent negotiates and executes agreements with staffing agencies (each an "Agency") that San Mateo may use to procure temporary professional staffing services from the Agencies ("Agency Agreements") as outlined by this SOW. Prolucent's Agency Agreements are negotiated with the objective of optimizing pricing, service levels, and minimum staff job specifications. In Prolucent's discretion, the Agency Agreements may include contracts currently in place for other Prolucent clients. Each Agency Agreement covers Covered Facilities within a specified geographic area, as mutually agreed upon by Prolucent and San Mateo. This SOW governs San Mateo's access to and use of Agency Agreements. Prolucent also makes available staffing and reporting technology tools to assist in San Mateo's ongoing management of staff usage and spending through the Agency Agreements. Under this SOW, San Mateo County is authorized to use Agency Agreements for temporary professional registry staff, as needed by SMMC, including, but not limited to, Registered Nurses, Licensed Vocational Nurses, Psychiatric Nurses, Operating Room Technicians, and Certified Nursing Assistants, each with a minimum of two (2) years experience in an acute hospital setting, as well as professional registry staff, as needed, including Rehabilitation Staff, Physical Therapists, Occupational Therapists, Speech Therapists and Respiratory Therapists for services performed at SMMC, SMMC Clinics, and SMMC's Burlingame Long Term

Care facility.

5.2 Technology. To assist in various aspects of contract labor ordering, fulfillment and scheduling, Proluent provides San Mateo web-based access to a proprietary software application (the "Application") that enables San Mateo to actively manage the ordering, fulfillment, and scheduling of contract labor. Additionally, the Application allows San Mateo to track the performance of Agency staff and enables San Mateo to view staff credentials that Agencies may upload. San Mateo acknowledges that staff information uploaded into the Application is provided to San Mateo directly by Agencies and Proluent is not responsible for confirming the accuracy of that information. Proluent has no liability for the inaccuracy of any Agency-provided information. Proluent implements the Application in its discretion and on a timeframe to be mutually agreed upon between Proluent and San Mateo. San Mateo's use of and access to the Application is at all times subject to San Mateo's execution of and compliance with the appropriate license agreements. If any license agreement is in the form of a click-wrap, any authorized San Mateo or Covered Facility employee's acceptance of the click wrap binds San Mateo and the applicable Covered Facility. For purposes of this paragraph, "authorized" means an employee of San Mateo County Medical Center Materials Management who has been provided in advance with the terms of any such click-wrap agreement and who has been given the opportunity to provide such click-wrap agreement to County Counsel for review prior to being required to accept the click-wrap agreement. Any click-wrap agreement not meeting these conditions shall not be binding upon the County of San Mateo County without its written consent. For any San Mateo or Covered Facility employee that has a user name and password for the Application, San Mateo shall ensure that Proluent is notified of that employee's departure (e.g., by termination or voluntary attrition) so that Proluent can end that employee's access to the Application.

5.3 Agency Agreements. Proluent negotiates Agency Agreements from time to time and in its discretion. No terms, conditions, prices, products, or other outcomes are guaranteed. Proluent has no liability to San Mateo for any Agency's performance under any Agency Agreement, or to any Agency for San Mateo's performance under an Agency Agreement. San Mateo is solely responsible for deciding whether and how much to purchase through Agency Agreements. Proluent may solicit or receive data from Agencies regarding San Mateo's historical purchases of staffing through Agencies in order to perform value analyses. The results of any analysis Proluent provides are as-is and without warranty. The Parties understand and agree that Proluent does not hire, employ, or provide any background screening of any Agency staff.

5.4 Contracting Services. Proluent provides contracting services in which it negotiates and provides access to Agency Agreements with a group of San Mateo-approved agencies. Through this process Proluent delivers competitively priced Agency Agreements with appropriate service levels, and makes these Agency Agreements available to Proluent customers participating in its workforce management program. Proluent renegotiates and renews Agency Agreements to refresh pricing structures and performance contingencies in accordance with changing market conditions. Proluent performs these services on an as-needed basis, but is expected to perform them for each Agency Agreement every 12 to 24 months.

5.5 Vendor Management Services.

5.5.1 Vendor Management Process. Proluent provides the following Vendor Management Services:

- (i) managing relationships with Agencies by monitoring their adherence to contract pricing;
- (ii) managing relationships with Covered Facilities to ensure that Covered Facility staff are informed of the Agency Agreements and ordering procedures;
- (iii) providing tools, processes and training, in Proluent's discretion, to assist Covered Facilities in their day-to-day ordering of Agency staff;
- (iv) reporting Agency Agreement utilization metrics to Covered Facilities at the individual, regional and divisional level; and,
- (v) reporting San Mateo's evaluation of Agency staff performance to Agencies.

5.5.2 Analysis of Agency Agreement Compliance. San Mateo authorizes Proluent to act as its agent in connection with any Ad-Hoc Audit (defined below). Additionally, San Mateo authorizes Proluent to act as its agent to conduct Scheduled Audits (Also defined below). San Mateo acknowledges and agrees that any Ad-Hoc Audit or Scheduled Audit conducted by Proluent personnel or agents will be

performed by analyzing materials provided by Proluent vendors and Proluent is not required to undertake any investigation into the accuracy, completeness or authenticity of those materials. For the purposes of performing any Ad-Hoc Audit or Scheduled Audit, Proluent presumes the authenticity of documents contained in any file provided by a vendor for the purposes of that Ad-Hoc Audit or Scheduled Audit. San Mateo understands and acknowledges that its patients are specifically excluded as third-party beneficiaries to any portion of this SOW, including any Ad-Hoc Audit or Scheduled Audit performed in connection with this SOW. For purposes of this section, "Ad-hoc Audit" means: an audit of an Agency's compliance with the terms of an Agency Agreement performed at San Mateo's request and subject to the terms and conditions of this SOW; and "Scheduled Audit" means an audit of Agency compliance with the terms of Agency Agreements performed by Proluent once annually during the Workforce Services Term, subject to the terms and conditions of this SOW.

5.6 Proluent Resources. Proluent provides a core account management team of non-dedicated resources to perform the services under this SOW. If any Proluent personnel are on-site at any San Mateo location, San Mateo shall make available, at no cost to Proluent, reasonable office space, office supplies, and office equipment, including, without limitation, reasonable use of the telephones for local and long distance calls, reasonable access to the internet and printers.

5.7 Designation as Contracting Representative. San Mateo designates Proluent as San Mateo's and each Covered Facility's exclusive third party contracting representative for purchases of contingent staff through staffing agencies. San Mateo and Covered Facilities shall not engage any other third party to provide any services or technology substantially similar to the services or technology provided by MDAS under this SOW. For avoidance of doubt, nothing in this SOW prohibits San Mateo from contracting directly with any staffing agency to purchase required clinical staff to work in San Mateo facilities.

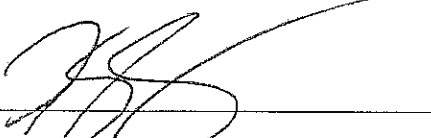
5.8 Consolidated Billing. San Mateo may elect to pay for Agency services through Proluent's consolidated billing method. In performing consolidated billing, Proluent uses the Application to create a remittance advice statement ("RA Statement") consolidating the San Mateo-approved charges for each Agency's services during a given time period. Proluent then notifies San Mateo that the RA Statement is ready for San Mateo's review. Proluent provides RA Statements on a frequency chosen by San Mateo in its discretion; but never more frequently than weekly, and never less frequently than monthly. San Mateo shall send Proluent the full amount indicated on each RA Statement within the timeframe specified in the applicable RA Statement. Once Proluent receives San Mateo's payment for an RA Statement, Proluent shall transmit to the applicable agency 97% of the payment amount. Proluent retains 3% of the payment amount as its administrative fee. For avoidance of doubt, Proluent does not purchase, use, or take title to any Service or Staff provided by Agency, and (except as specifically provided in this section of the SOW) has no obligation to compensate any Agency for services the Agency provides to San Mateo.

IN WITNESS WHEREOF, the Parties have executed this SOW 2 through their duly authorized representatives as of the date last signed below.

THE BROADLANE GROUP, INC.
D/B/A PROLUENT WORKFORCE MANAGEMENT

SAN MATEO COUNTY

Signature: _____



Signature: _____

Printed Name: _____

Rodney Shifflette

Printed Name: _____

Title: _____

VP

County: _____

Title: President, Board of Supervisors, San Mateo
County: _____

Date: _____

Date: _____

ATTEST:

BY: _____