



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



DATE: April 14, 2011
BOARD MEETING DATE: June 21, 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: Second Amendment to the Agreement with California Emergency
Physicians Medical Group

RECOMMENDATION:

Adopt a Resolution authorizing the President of the Board to execute a second Amendment to the Agreement with California Emergency Physicians Medical Group to provide Emergency Medical Services and Correctional Health Services for the term of July 1, 2010 through June 30, 2011, increasing the amount by \$57,000 to a maximum fiscal obligation of \$4,372,000.

BACKGROUND:

On October 5, 2010, your Board approved an Agreement with California Emergency Physicians Medical Group (CEP) for the provision of Emergency Department Services for a maximum fiscal obligation of \$4,290,000. In April 2011 the Chief of the Health System executed an amendment to the Agreement that authorized an increase of \$25,000 to a new maximum of \$4,315,000.

The San Mateo Medical Center (SMMC) Urgent Care Center (UCC) was closed effective March 1, 2011, with the plan to redirect the patients who use the UCC to receive services in the primary care clinics. During the transition period, a number of patients who were treated in the UCC are now receiving services in the emergency department (ED). This new demand has created a seventeen percent (17%) increase in patient volume in the ED.

DISCUSSION:

(CEP) contracted for the UCC physician coverage and upon the UCC closure, will add additional physician assistant (PA) shifts to the ED schedule in order to provide care for the 17% increase in demand. The cost of the ED PA alternatives for the final four months of this Agreement will save the County on average, \$10,000 per month.

County Counsel has reviewed and approved the Resolution and Amendment as to form.

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 Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing patients with access to emergency services. In addition, this allows the ED to treat medical emergencies and intervene in life threatening situations. It is anticipated that a patient satisfaction rating of more than 3.5 on a 4 point scale will be maintained and is an indicator of quality patient care and meets the Joint Commission hospital guidelines for accreditation.

Performance Measure:

Measure	FY 2009-10 Actual	FY 2010-11 Projected
Patient satisfaction on a four point scale	>3.5	>3.5

FISCAL IMPACT:

The term of the Agreement is July 1, 2010 through June 30, 2011. The maximum amount of the Agreement is \$ 4,372,000. Funds in the amount of \$219,240 are included in the Correctional Health FY 2010-11 Adopted Budget. Funds in the amount of \$4,152,760 are included in the SMMC FY 2010-11 Adopted 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.

RESOLUTION NO. _____

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

* * * * *

RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH CALIFORNIA EMERGENCY PHYSICIANS MEDICAL GROUP TO PROVIDE EMERGENCY MEDICAL SERVICES AND CORRECTIONAL HEALTH SERVICES FOR THE TERM OF JULY 1, 2010 THROUGH JUNE 30, 2011, INCREASING THE AMOUNT BY \$57,000 TO A MAXIMUM FISCAL OBLIGATION OF \$4,372,000

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

WHEREAS, on October 5, 2010, by Resolution 071079 the Board approved an Agreement with the California Emergency Physicians Medical Group to provide Emergency Medical Services and Correctional Health Services for the term July 1, 2010 through June 30, 2011, in an amount not to exceed \$4,290,000; and

WHEREAS, in April 2011 the Chief of the Health System executed an amendment to the Agreement to increase the maximum amount payable under the Agreement by \$25,000; and

WHEREAS, due to an increase in Emergency Department volume, the parties wish to further amend the Agreement to increase the maximum amount payable thereunder by \$57,000 for a revised maximum fiscal obligation of \$4,372,000; and

WHEREAS, this Board has been presented with a form of such Amendment, and said Board 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, and the Clerk of the Board shall attest the President's signature thereto.

* * * * *

**SECOND AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
CALIFORNIA EMERGENCY PHYSICIANS MEDICAL GROUP**

THIS SECOND AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and CALIFORNIA EMERGENCY PHYSICIANS MEDICAL GROUP, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, by Resolution 071079, dated October 5, 2010, the parties entered into an Agreement for the provision of professional Emergency Medical Services and Correctional Health Services for a term of July 1, 2010 through June 30, 2011, for a maximum fiscal obligation of \$4,290,000; and

WHEREAS, the parties amended the Agreement by way of a contract amendment executed on behalf of the County by the Chief of the County Health System to increase the total amount payable thereunder by \$25,000, for a maximum fiscal obligation of 4,315,000; and

WHEREAS, the parties wish to further amend the Agreement to increase the total amount payable thereunder by \$57,000, for a maximum fiscal obligation of \$4,372,000.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Exhibit B to the Agreement is replaced in its entirety by the Exhibit B that is attached to this Second Amendment to the Agreement and which is incorporated herein by reference.
2. **All other terms and conditions of the Agreement dated October 5, 2010, between the County and Contractor shall remain in full force and effect.**

IN WITNESS WHEREOF, County and Contractor have duly executed this Agreement as of the dates set out beneath their respective signatures.

CONTRACTOR:

(signature)

By: _____

Title: _____

Date: _____

COUNTY:

(signature)

By: _____

Title: President, Board of Supervisors
San Mateo County

Date: _____

Attest:

By: _____

Clerk of Said Board

Date: _____

EXHIBIT B

PAYMENTS

Correctional Health and Emergency Department (ED) Services

In consideration of the services provided by Contractor in **EXHIBIT A**, County will pay Contractor based on the following fee schedule:

I. Correctional Health

- A. For the period July 1, 2010 through June 30, 2011, Contractor shall invoice the County on a monthly basis at the rate of EIGHTEEN THOUSAND, TWO HUNDRED AND SEVENTY DOLLARS (\$18,270) per month, not to exceed TWO HUNDRED AND NINETEEN THOUSAND, TWO HUNDRED AND FORTY DOLLARS (\$219,240) for the one year term of this agreement.
- B. The Correctional Health Services Manager shall approve invoices for payment. The physician assigned to Correctional Health shall be on site three (3) days per week and on call until 9:00 p.m., Monday through Friday. At other times the SMMC ED physician on duty will, by telephone or by telemedicine imaging, manage the Correctional Health patients or direct the transfer of patients to the SMMC ED for further evaluation.

II. Emergency Department

- A. For the period July 1, 2010 through June 30, 2011, Contractor shall invoice the County on a monthly basis for direct clinical ED services at the equivalent of \$160.00 per physician hour, and \$55.91 per physician assistant hour. There will be a minimum of one physician on duty in the ED at all times, 24 hours a day, 365 days a year. Services include the recitals in EXHIBIT A, including telephone and telemedicine backup for the Correctional Health, and evaluation and management of critical laboratory values after hours for the County primary care physicians and such support as may be needed. This budget is based on 36,865 SMMC ED patient visits per year.
- B. Clinical ED services shall be paid at THREE HUNDRED AND THIRTY EIGHT THOUSAND, EIGHT HUNDRED AND SEVENTY FOUR DOLLARS (\$338,874) per month, not to exceed FOUR MILLION, SIXTY SIX THOUSAND, FOUR HUNDRED EIGHTY EIGHT DOLLARS (\$4,066,488) for the period from July 1, 2010 through June 30, 2011. This compensation is based on the level of service set forth in Exhibit C (i.e., 39 MD hours per day and 25.2 PA hours per day). ED management services are included in the total annual cost of emergency services of \$ 4,066,492. See (EXHIBIT C) for a breakdown for costs by line item.
- C. Surge staffing services will be triggered by SMMC Administration in the event of

the need for emergency coverage of other departments; e.g., inpatient psychiatry on night shifts or other difficult to fill shifts when there is a shortage of staff or contract physicians. This would be a last option when every use of other staff alternatives has failed. The other use of surge funds that could be triggered by SMMC Administration would be for events such as a pandemic flu or a multiple victim catastrophic event that would require additional staff. Surge funding will not be paid without prior authorization of SMMC Administration. Surge reimbursement will be for medical services staff only; no management fees will be paid for medical services provided with surge funds.

- D. Contractor compensation for the ED by the County will be calculated on a visit based unit value for a projected volume of 36,865 visits per annum. If the contract terms of service are amended such that the current numbers of visits listed in EXHIBIT A are changed, the projected volume of visits and corresponding compensation shall be adjusted accordingly.

If the average monthly visits for the ED as a department (based on 36,865 annual visits) vary by ten percent (10%) over a six (6) month period, the Chief Medical Officer or designee will review and discuss the compensation metric with Contractor, and it will be changed, if appropriate.

- E. In order to provide additional physician assistant (PA) shifts, effective March 1, 2011, and due to the closure of the SMMC Urgent Care Center (UCC), the following PA services will be added:
 - 1. Additional PA shifts in the ED will be in six (6) hour increments and paid at a rate of NINETY EIGHT DOLLARS (\$98) per hour.
 - 2. The budget will support up to six (6) days per week.
 - 3. On the 21st of each month, CEP will present a staffing model to the SMMC Chief Operating Officer and Chief Medical Officer for the following month. If any changes to authorized staffing need to be made, they will be implemented by the 8th of the following month.

III. Productivity-Based Reimbursement Model

- A. Both County and Contractor acknowledge the need for a productivity reimbursement model based on mutually acceptable units of measurement. This contract was established on the model in EXHIBIT C to this Agreement. The metrics used are as follows:
 - 1. Patients per day: 101
Patients per doctor hour: 2.6
Patients per clinical hour: 1.6
 - 2. Physician hours per day: 39

Physician Assistant hours per day: 25.2

- B. In full consideration of Contractor's performance of the services described in EXHIBIT A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed FOUR MILLION, THREE HUNDRED SEVENTY TWO THOUSAND DOLLARS (\$4,372,000) for the Agreement term July 1, 2010 through June 30, 2011.