



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



DATE: July 28, 2011
BOARD MEETING DATE: September 13, 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: Acceptance of a Grant from Sequoia Healthcare District

RECOMMENDATION:

Adopt a Resolution accepting a grant from Sequoia Healthcare District in the amount of \$2,000,000 for FY 2011-12 to supplement the cost of providing care to the uninsured/medically indigent residents of the Sequoia Healthcare District who seek care at San Mateo Medical Center's Fair Oaks Clinics.

BACKGROUND:

The population of the North Fair Oaks neighborhood continues to increase, along with the number of uninsured individuals who need medical care. During the past year, the Fair Oaks Adult and Children's Clinics provided over 37,000 outpatient visits to more than 12,000 individuals living in or near the neighborhood. Moreover, more than 17% of all children's visits and 37% of adult visits were for patients without insurance who are unable to pay for care and who are enrolled in San Mateo Medical Center's (SMMC) indigent care programs. As the County's safety net public hospital, SMMC has a mission to provide medical services to the uninsured throughout its system of care. Paying for the cost of delivering this care is a perpetual challenge, and this burden cannot be handled by the County alone. The Fair Oaks Clinics serve a patient population that resides primarily within the geographic boundaries of Sequoia Healthcare District (SHD). The SHD has recognized the increasing need for medical care of its uninsured and low-income residents by committing \$4.3 million toward the costs of building a new consolidated South County Clinic that will replace the Fair Oaks Adult and Children's Clinics and the Willow Clinic. On October 19, 2010, your Board approved Resolution 071087 accepting the \$4.3 million dollars toward the building costs for the new consolidated South County Clinic and \$5.6 million dollars in grants for its underserved and low income residents for FY 2008-11.

DISCUSSION:

On April 6, 2011, SHD's Board of Directors approved continuing the grant to SMMC in the amount of \$2,000,000 for FY 2011-12 to supplement the cost for care to the

indigent and uninsured residents of SHD who seek care at the Fair Oaks Clinics.

In accepting the \$2,000,000 grant the County agrees to: 1) demonstrate, on an ongoing basis, that the population served by these funds resides primarily within the boundaries of SHD; and 2) demonstrate, on an ongoing basis, that the costs charged against this funding are neither subject to nor eligible for reimbursement through government or private insurance programs.

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

Acceptance of this grant contributes to the Shared Vision 2025 outcome of a Healthy Community by ensuring basic health and safety for all and providing residents access to healthcare and preventive care. It is anticipated that the 18 percent of visits at Fair Oaks Clinics will be funded by SHD.

Performance Measure:

Measure	FY 2010-11 Actual	FY 2011-12 Projected
Percent of visits at Fair Oaks Clinics will be funded by SHD	18%	18%

FISCAL IMPACT:

The grant for fiscal year July 1, 2011 through June 30, 2012, is \$2,000,000. This amount is included in SMMC FY 2011-12 Recommended 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 contributions such as this from Sequoia Healthcare District and the County's General Fund contribution to SMMC.

RESOLUTION NO. _____

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

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RESOLUTION ACCEPTING A GRANT FROM SEQUOIA HEALTHCARE DISTRICT IN THE AMOUNT OF \$2,000,000 FOR FY 2011-12 TO SUPPLEMENT THE COST OF PROVIDING CARE TO THE UNINSURED/MEDICALLY INDIGENT RESIDENTS OF THE SEQUOIA HEALTHCARE DISTRICT WHO SEEK CARE AT SAN MATEO MEDICAL CENTER'S FAIR OAKS CLINICS

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

WHEREAS, the County of San Mateo's San Mateo Medical Center (SMMC) has a mission to provide medical services to the uninsured throughout its system of care; and

WHEREAS, SMMC's Fair Oaks Clinic and Fair Oaks Children's Clinic serve a patient population that resides primarily within the geographic boundaries of the Sequoia Healthcare District (SHD); and

WHEREAS, the Board of Directors of SHD agreed that SHD should provide grant funding for FY 2011-12 in the amount of \$2,000,000 to support the work of SMMC in providing healthcare to the indigent and uninsured residents of the SHD who seek care at the Fair Oaks Clinics for which the SMMC is otherwise not reimbursed; and

WHEREAS, this Board has examined and approved the FY 2011-12 grant award as to both form and content and desires to accept it.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that this

Board of Supervisors hereby accepts the \$2,000,000 grant award from Sequoia Healthcare District on behalf of the County of San Mateo for FY 2011-12 and thanks the Sequoia Healthcare District for its continuing support of the most vulnerable members of the San Mateo County community.

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**Sequoia
Healthcare
District**

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May 31, 2011

Mr. Ron Keating
Materials Management
San Mateo Medical Center
222 West 39th Avenue
San Mateo, CA 94403

Dear Mr. Keating:

On April 6, 2011, Sequoia Healthcare District's Board of Directors approved continuing the grant to San Mateo Medical Center in the total amount of \$2 million for one year to supplement the cost for uninsured care at the Fair Oaks Clinic.

Accordingly, Sequoia Healthcare District will make grant payments to the Medical Center on a quarterly basis, not to exceed \$500,000 per quarter. The grant is for the fiscal year ending June 30, 2012. The Medical Center will invoice Sequoia Healthcare District, on a quarterly basis, to include reports indicating the volume of uninsured patients being served with District funding and an itemization, by line item, of the expenses of the Clinic, adjusted to demonstrate the amounts expended on uninsured patient care.

These funds are to be used solely to support the Medical Center for indigent and uninsured residents of Sequoia Healthcare District seeking care at the Fair Oaks Medical Clinic for outpatient primary medical care, ancillary services (laboratory, pharmacy, radiology) and specialty medical care.

Sincerely,

Lee Michelson
Chief Executive Officer

cc: Jonathan Mesinger