



Monterey County

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Board Report

Legistar File Number: A 17-381

October 03, 2017

Introduced: 9/12/2017

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Approve and authorize the Auditor-Controller to process payment to Quest Diagnostics on Natividad Medical Center's (NMC) behalf for Laboratory services at NMC, for one-time costs of outstanding invoices, in an amount not to exceed \$75,186 for FY17-18.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Auditor-Controller to process payment to Quest Diagnostics on Natividad Medical Center's (NMC) behalf for Laboratory services at NMC, for one-time costs of outstanding invoices, in an amount not to exceed \$75,186 for FY17-18.

SUMMARY/DISCUSSION:

NMC laboratory contracts with Quest Diagnostics to complete esoteric laboratory testing or laboratory testing that NMC laboratory cannot perform in house due to equipment availability or the cost of the test. NMC laboratory began contract negotiations with Quest in September of 2016 to rectify pricing differences. The contract negotiations took an extended period of time for both parties to complete the agreed upon terms and conditions. The new agreement replaced the existing agreement; however, there were invoices from FY16-17 that were not covered in the new agreement. NMC had allocated specific funds for the expired agreement but due to the length of time the new contract took to negotiate NMC did not have enough funds on the expired agreement to pay for services previously rendered.

The outstanding amount was reviewed against the Quest Utilization report sent to NMC laboratory. The invoice outstanding matches the utilization report for the month of June 2017.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this request, as has the Auditor-Controller. This request has also been reviewed and approved by NMC's Finance Committee on August 24, 2017, and by its Board of Trustees on September 1, 2017.

FINANCING:

The cost for this request is \$75,186 will be absorbed in the Fiscal Year 2017-18 Adopted Budget. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

NMC laboratory analyses each year the referral testing services to ensure NMC laboratory is not sending out testing that can be completed at NMC laboratory. NMC laboratory sends out tests that are financially not feasible to perform testing in house either due to equipment availability or cost of the reagent for the test. NMC laboratory supports provider's orders for laboratory testing by completing the majority of tests in house; however, certain tests NMC laboratory must contract with a referral laboratory to be able to meet the needs of the providers.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Heidi Riggenbach Director Laboratory, 772-7660
Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

1. Previous Board Order for approval of Amendment No. 10.
2. Agreement showing original spending limit

Attachments on file with the Clerk of the Board