



# Monterey County

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## Board Report

Legistar File Number: A 16-392

December 13, 2016

**Introduced:** 12/2/2016

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-09333) with RehabCare Group of California, LLC d/b/a Kindred Hospital Rehabilitation (formerly d/b/a RehabCare) for Rehabilitation Program Management Services at NMC, extending the term of the Agreement on a month to month basis as needed until June 30, 2017 or until a new Agreement has been finalized and executed, whichever is earlier, and increasing the amount by an additional \$500,000 for a revised total Agreement amount of \$15,257,720.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-09333) with RehabCare Group of California, LLC d/b/a Kindred Hospital Rehabilitation (formerly d/b/a RehabCare) for Rehabilitation Program Management Services at NMC, extending the term of the Agreement on a month to month basis as needed until June 30, 2017 or until a new Agreement has been finalized and executed, whichever is earlier, and increasing the amount by an additional \$500,000 for a revised total Agreement amount of \$15,257,720.

### **SUMMARY/DISCUSSION:**

The County of Monterey, on behalf of NMC, has an agreement with RehabCare Group of California, LLC d/b/a Kindred Hospital Rehabilitation (formerly\_\_RehabCare Group Management Services, Inc.)(hereinafter referred to as "RehabCare") a premier provider of rehabilitation services and post- acute care services including a specialty focus on inpatient rehabilitation. The Sam Karas Acute Rehabilitation Center at NMC is the major provider of inpatient rehabilitation in Monterey County. The unit has maintained an average occupancy rate over 90% in 2015, and the need for inpatient rehabilitation services continues to expand.

RehabCare manages NMC's Acute Rehab Unit under the direction of the NMC Medical Director providing rehabilitation services for NMC patients. For the last thirteen years, pursuant to the parties' agreement, RehabCare has provided and continues to provide management and therapy services for NMC's Acute Rehabilitation Unit ("ARU"), a specialized clinical unit that serves patients with a multitude of diagnoses including stroke, orthopedic conditions, arthritis and traumatic brain injuries (trauma patients). The main goal of the ARU is to assist individuals in restoring functional status and resuming the highest possible quality of life post injury or post significant adverse medical events.

An adjunct to inpatient services includes a shared staffing relationship between NMC and RehabCare group to provide services by Speech Language Pathologists, in addition to augmenting services provided by Occupational Therapy and Physical Therapy until successful recruitment and hire is achieved. NMC ultimately desires to bring Speech Therapy services in house, but as an interim step will work with RehabCare group to provide these services. NMC has historically contracted Speech Therapy services out to a contractor since 2006.

NMC will transition to employed inpatient Acute Rehabilitation Unit therapy staff through a recruitment process that began in 2016 and continues through 2017.

NMC is requesting an additional \$500,000 for this amendment. Because it is unknown at this time when, exactly, the new agreement will go into effect, NMC believes this amount should be sufficient to cover service obligations until that time. If, however, it appears that NMC will exceed this additional amount before the new agreement goes into effect, NMC will return to the Board of Supervisors with an update on status of the new agreement should additional funds be necessary to request.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment No. 5 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. Due to the late submission of this report, the CAO Budget and Analysis Division was not provided adequate time to review for potential fiscal, organizational, policy or other implications to the County of Monterey. The Amendment No. 5 has not been reviewed by NMC's Finance Committee and Board of Trustees due to a time constraint; NMC had intended that a new Agreement would have been established by January 1, 2017 but the negotiations have taken longer than anticipated, therefore an amendment to the existing agreement is necessary to establish promptly. This amendment allows for services to continue while negotiations are wrapped up and a final new agreement is established between RehabCare and NMC. NMC plans to report to its Finance Committee and Board of Trustees on this amendment at the first meetings in 2017.

**FINANCING:**

The cost for this Amendment No. 5 is \$500,000 all of which is included in the Fiscal Year 2016-17 Adopted Budget. There is no impact to the General Fund.

Prepared by: Nancy Buscher, Chief Nursing Officer, 783-2560

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

- RehabCare Amendment No. 5
- RehabCare Amendment No. 4
- RehabCare Amendment No. 3
- RehabCare Amendment No. 2
- RehabCare Amendment No. 1

RehabCare Amended and Restated Agreement  
Spend Sheet

Attachments on file with the Clerk of the Board

\_\_\_\_\_  
Dr. Gary R. Gray, Chief Executive Officer

\_\_\_\_\_  
Date