



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 23-528

December 05, 2023

Introduced: 11/9/2023

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Second Amendment to the Professional and Call Coverage Services Agreement with Precision Orthopedics to provide orthopedic services, adding \$2,000,000 for an amount not to exceed amount of \$13,000,000 in the aggregate, but with no change to the original Agreement term for the period April 1, 2021 to March 31, 2024.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Second Amendment to the Professional and Call Coverage Services Agreement with Precision Orthopedics to provide orthopedic services, adding \$2,000,000 for an amount not to exceed amount of \$13,000,000 in the aggregate, but with no change to the original Agreement term for the period April 1, 2021 to March 31, 2024.

SUMMARY/DISCUSSION:

NMC must arrange for the provision of professional consultation and treatment of patients who present to the emergency department and outpatient specialty clinic in need of medical care or treatment in general orthopedic surgery and certain subspecialties (e.g. hand, spine and trauma) as required for a Level II Trauma Center.

NMC has an Agreement with Precision Orthopedics, for which board-certified orthopedic surgeons provide exclusive orthopedic services, including 24/7 dedicated emergency department call coverage; full-time orthopedic services in the specialty clinic; medical director services for general administration of the orthopedics department; and a physician liaison to the trauma program. NMC wishes to amend the existing Agreement and add funds due to increased services provided by the group. NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form.

Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad's Finance Committee and Board of Trustees.

FINANCING:

The cost of this Amendment is \$2,000,000. The total not to exceed amount of this Agreement is \$13,000,000 for the period April 1, 2021 to March 31, 2024 (36 months). \$5,000,000 is

included in the Fiscal Year 2023/2024 Adopted Budget. The remaining balance will be budgeted in subsequent fiscal years. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services rendered in this agreement are required for a Level II Trauma Center and provide NMC with the additional support it needs in order to provide reliable and high-quality patient care which improves the health and quality of life for patients and their families.

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

Prepared by: Jeanne-Ann Balza, Director of Physician Services, 783.2506

Approved by: Dr. Charles R. Harris., Chief Executive Officer, 783.2551

Attachments:

Second Amendment

First Amendment

Agreement

Charles R. Harris
Charles R. Harris, M.D., Chief Executive Officer

11/17/23
Date