



County of Monterey

Item No.

Board Report

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

Legistar File Number: RES 23-164

September 19, 2023

Introduced: 8/23/2023

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt Resolution to:

- a. Amend Personnel Policies and Practices Resolution No. 98-394 Appendix A and B to reestablish the Urologist classification with the salary range and bargaining unit designation as indicated in Attachment A, retroactive to September 9, 2023;
- b. Amend the Natividad Medical Center FY 2023-24 Adopted Budget Unit 9600-8309 - Fund 451 -Appropriation Unit NMC001 to reallocate one (1.0 FTE) Trauma Surgeon to one (1.0 FTE) Urologist as indicated in Attachment A;
- c. Amend Personnel Policies and Practices Resolution No. 98-394 to modify Section A.1.7 Physician Salary Rates, as indicated in Attachment B; and
- d. Direct the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) System.

RECOMMENDATION:

It is recommended that the Board of Supervisors consider adopting a Resolution to:

- a. Amend Personnel Policies and Practices Resolution No. 98-394 Appendix A and B to reestablish the Urologist classification with the salary range and bargaining unit designation as indicated in Attachment A, retroactive to September 9, 2023;
- b. Amend the Natividad Medical Center FY 2023-24 Adopted Budget Unit 9600-8309 - Fund 451 -Appropriation Unit NMC001 to reallocate one (1.0 FTE) Trauma Surgeon to one (1.0 FTE) Urologist as indicated in Attachment A;
- c. Amend Personnel Policies and Practices Resolution No. 98-394 to modify Section A.1.7: Physician Salary Rates, as indicated in Attachment B; and
- d. Direct the Human Resources Department to implement the changes in the Advantage Human Resources Management (HRM) System.

SUMMARY/DISCUSSION:

In 2020, the Human Resources Department collaborated with County departments to conduct a review of the classifications and salary tables to determine if there are classifications that no longer meet the needs of the County. As part of this process, the Human Resources Department collaborated with all County departments resulting in a list of classifications and associated salary ranges that were abolished by the Board of Supervisors on August 18, 2020, which included the classification of Urologist.

Since then, Natividad Medical Center (NMC) has identified an operational need to employ and compensate highly qualified physicians in the hospital-specific specialty of Urology in order to provide the necessary services with employed physicians versus independent contractors and/or

purchased services through outside agencies that provide these specialized physicians at premium rates.

Currently the Health Department and NMC utilizes the classification of Contract Physician. The Contract Physician salary range limits NMC's ability to hire for specialty areas such as Urology. As such, NMC has the need to reestablish the Urologist classification and designate it as hospital specific. Since the specialty of Urology has a significant difference in market-based salary range, NMC recommends a single position classification with a broad salary range to best meet the operational needs of the hospital.

Stark Law applies rules to physician compensation, requiring that it be determined based on Fair Market Value (FMV), defined as "the value in an arm's length transaction, consistent with the general market value of the subject transaction" which cannot take into account the volume or value of referrals to the entity and/or other business generated by the physician. NMC has utilized a contracted third-party agency within the healthcare industry to provide a proprietary independent fair market value analysis, compiled from multiple published survey sources containing local, regional, and national compensation data, to establish salary ranges for other hospital-specific specialty physician classifications, as well as to establish employment agreements/contracts with newly hired physicians, since as early as 2007. The salary range recommendation for the Urologist classification is within the reasonable fair market value compensation range for physicians in this surgical specialty, based on this independent analysis of market data.

In accordance with Personnel Policies and Practices Resolution (PPPR) No. 98-394, Section A.1.7: Physician Salary Rates, when selecting a new Unit U physician in one of the hospital specialty physician classifications, the Hospital Chief Executive Officer (CEO) may offer a base salary (salary before benefits) up to the 50th percentile of the current fair market value range for the classification. Should NMC recommend a new physician to receive a base salary amount that exceeds the 50th percentile of the range for a hospital specialty physician classification, the Hospital CEO will continue to seek approval from the Board of Supervisors prior to signing a new employment agreement. This action will add the hospital-specific specialty classification of Urologist to this section.

For these reasons, NMC recommends that the Board of Supervisors approve reestablishing the classification of Urologist, updating the salary, designating the classification to Unit U, and amending the PPPR as indicated in Attachment A & B. In addition, NMC recommends that the Board of Supervisors approve the reallocation of one (1.0 FTE) Trauma Surgeon to one (1.0 FTE) Urologist.

OTHER AGENCY INVOLVEMENT:

The County of Monterey Human Resources Department and Office of County Counsel have reviewed this recommendation.

FINANCING:

The annualized cost of this action is approximately \$94,962 in salary (benefits costs are already budgeted) that will be offset by a decrease in purchased services costs to be saved by employing physicians in these hospital specialties rather than entering into agreements with independent contractors, locums tenens and/or physician services agencies. In addition, NMC anticipates additional revenue to be received as a result of NMC billing for the physicians' services, rather

than the independent physicians or agencies billing directly.
This action has no impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed recommended actions address the Board of Supervisors Administration Strategic Initiative. The actions demonstrate the County's commitment to meeting the Board's initiatives in recruiting, retaining, and attracting a diverse, talented workforce that supports the mission of Monterey County.

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

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Approved by: Dr. Charles Harris, Hospital Chief Executive Officer, (831) 783-2553

Attachments:

- Attachment A
- Attachment B
- Resolution

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

09/05/2023
Date