



Monterey County

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Board Report

Legistar File Number: A 15-111

June 09, 2015

Introduced: 5/8/2015

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-09333) with RehabCare Group Management Services, Inc. for Rehabilitation Program Management Services at NMC, extending the term of the Agreement for one additional year through June 30, 2016, and increasing the amount by an additional \$2,611,290 for a revised total Agreement amount of \$12,757,720.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement (A-09333) with RehabCare Group Management Services, Inc. for Rehabilitation Program Management Services at NMC, extending the term of the Agreement for one additional year through June 30, 2016, and increasing the amount by an additional \$2,611,290 for a revised total Agreement amount of \$12,757,720.

SUMMARY/DISCUSSION:

The County of Monterey, on behalf of NMC, has an agreement with RehabCare Group Management Services, Inc, 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 twelve years, pursuant to the parties' agreement, RehabCare provides 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 is actively recruiting for additional therapy staff and this relationship will discontinue June 30, 2016.

The rate change reflected in this Amendment is based upon the Medical Care expenditure category of the Consumer Price Index for All Urban Consumers, U.S. City Average, published by the U.S. Bureau for Labor Statistics ("CPI").

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 3 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 3 has also been reviewed and approved by NMC's Finance Committee on 4/23/15 and by its Board of Trustees on 5/1/15.

FINANCING:

The cost for this Amendment No. 3 is \$2,611,290 all of which shall be included in the Fiscal Year 2015-16 Recommended Budget. There is no impact to the General Fund.

Prepared by: Daniel Leon, Chief Financial Officer, 783-2701

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

Attachments:

Amendment No. 2

Amendment No. 1

RehabCare Amended and Restated Agreement

Spend Sheet

Attachments on file with the Clerk of the Board