



## Monterey County Board of Supervisors

### Board Order

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Salinas, CA 93901  
831.755.5066  
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A motion was made by Supervisor Chris Lopez, seconded by Supervisor Luis A. Alejo to:

#### **Agreement No. A-14280, Amendment No. 2**

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an amendment No. 2 to the agreement (A-14280) with Optuminsight, Inc. for perioperative (surgery) consulting services to improve the number of surgical procedures and patients satisfaction, extending the agreement an additional three (3) years (April 2, 2020 through March 31, 2023) for a revised full agreement term of March 26, 2019 through March 31, 2023 and adding \$1,560,000 for a revised full agreement amount not to exceed \$1,680,000.

PASSED AND ADOPTED on this 10<sup>th</sup> day of December 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Lopez, Phillips, Parker and Adams

NOES: None

ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting December 10, 2019.

Dated: December 17, 2019  
File ID: A 19-430  
Agenda Item No.: 47

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California

  
Julian Lorenzana, Deputy

AMENDMENT NO. TWO  
TO THE  
CONSULTING SERVICES AGREEMENT

This Amendment No. Two, dated December 12, 2019, is made to the Consulting Services Agreement, dated April 1, 2019, as amended pursuant to that certain Amendment No. One to the Consulting Services Agreement dated May 13, 2019 (collectively, the "Agreement"), between Natividad Medical Center ("Customer") and OptumInsight, Inc. ("Optum").

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree to amend the Agreement as follows:

1. Existing Agreement. Except as set forth in this Amendment No. Two, all terms and conditions of the Agreement remain in full force and effect. In the event of any conflict between the terms of this Amendment No. Two and the Agreement, this Amendment No. Two shall control.

2. Term. Section 9 of the Agreement is deleted in its entirety and replaced with the following:

"9. Term. Either party may cancel and terminate this Agreement for good cause effective immediately upon written notice to the other party unless the reason for termination is capable of being cured and is reasonably cured within 30 days after receipt of notice. "Good cause" includes failure of either party to perform as provided under this Agreement. If Natividad terminated this Agreement for good cause, Natividad is obligated to compensate Optum for all fees incurred in connection with the performance of the Services through the date of termination. A final true-up invoice will be provided to Natividad for all fees incurred through the date of such termination and not previously paid for by Natividad and Natividad agrees to pay such amounts in accordance with the terms of this Agreement. Natividad's payments to Optum under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for Natividad purchase of the indicated quantity of services, then Natividad may give a written notice of this fact to Optum and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

9.1 The term of this Agreement is from April 2, 2019 through December 31, 2021 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both OptumInsight Inc. and Natividad and with Natividad signing last and OptumInsight Inc. may not commence work before Natividad signs this Agreement."

3. Perioperative Services. In addition to the Services described in Exhibit A to the Agreement, the parties agree that Optum will provide the consulting services attached hereto and incorporated herein as Exhibit C and Exhibit C will be incorporated into the Agreement in its entirety (the "Perioperative Services"). The parties acknowledge and agree that the Perioperative Services shall be included in the definition of "Services" under the Agreement.

4. Perioperative Services Fees. Notwithstanding anything to the contrary in the Agreement and in addition to the fees set forth in Section 6 (Fees and Payment Terms), Customer agrees to pay Optum for the Perioperative Services as described in Exhibit C.

IN WITNESS WHEREOF, the parties have accepted and agreed to this Amendment No. Two.

OPTUMINSIGHT, INC.

NATIVIDAD MEDICAL CENTER

*AB*  
*AB Breiten*  
*Depoco*  
*11-21-19*

DocuSigned by:  
Signature: *John Simon*  
Print Name: John Simon  
Print Title: Sr VP  
Contract No.: 00556063.2

Signature: *Kristen Aldrich*  
Print Name: *Kristen Aldrich*  
Print Title: *Contracts Manager*  
*12-10-19*

Monterey County Deputy County Counsel

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Monterey County Deputy Auditor/Controller

Date: *AB* 11/21/19

Date: *P. Masu* 12/18/19

## EXHIBIT C

I. Services.

- A. Scope of Services. Optum shall provide the Perioperative Services set forth below in order to optimize perioperative services and access to care at Natividad.
- a. Perioperative Services Optimization: For the Perioperative Services Optimization Services, Optum will:
- i. Form a Project Management Office (“PMO”) to drive progress of up to four (4) targeted work teams comprised of Optum and Natividad resources dedicated to specific initiatives (the “Work Teams”);
  - ii. Form Natividad-designed Executive Steering Committee (“ESC”) and conduct periodic meetings;
  - iii. Create and maintain performance scorecards for each Work Team;
  - iv. Develop formal action plans for each Work Team to verify daily activities of the Work Teams address required strategies and operational improvements in care delivery processes, timely decision-making and appropriate follow-through to confirm the Work Teams’ work plans are being executed and improvements are fully impacting performance;
  - v. Monitor ongoing performance of the Work Teams implementing the Action Plans against metrics and provide periodic updates to Natividad leadership regarding progress and team performance;
  - vi. Organize appropriate transition plan and process in last two (2) months of engagement to assist Natividad stakeholders to manage all Work Team initiatives post engagement;
  - vii. Lead Phase I: Governance Leadership and Preoperative Patient Preparation (“Phase I”). Optum will:
    1. Begin implementation of Phase I Work Teams to facilitate Natividad’s build of the foundational capabilities to “right size” Natividad’s number of Operating Rooms (“ORs”) and their hours of prime time as compared to non-prime time operation;
    2. Build a physician partnership with Natividad administration to govern and lead entire perioperative services through robust data, analytics and policy;
    3. Design and implement a leading practice OR policy, which will state the rules and data that will govern all activity in the OR, and use this information to work with Natividad’s physician clinic schedulers to reallocate block time so that physicians will improve utilization of prime time OR space;
    4. Define number of prime time and non-prime time OR rooms required to effectively manage known capacity by matching demand;
    5. Launch a Work Team around preoperative patient preparation, to assist in the improvement of patient preparation before the day of surgery through collaboration with surgeon clinics and offices to prepare patients up to seven (7) days before procedures;
    6. Redesign and implement a chart management process and anesthesiology-related risk assessment before the day of surgery in order to improve day-of-surgery cancellation rates, as well as patient quality outcomes;
  - viii. Lead Phase II: Day-of-Surgery Efficiency Improvement and Labor/Productivity Update (“Phase II”). Optum will:
    1. Focus on opportunities identified in the roadmap, previously developed by Optum for Natividad under a separate agreement between the parties, around day-of-surgery efficiency, including optimizing activities from patient preoperative unit, through improvements in first-case starts and turnover times, to patient disposition in the post-anesthesia care unit and beyond;
    2. Redefine labor and productivity goals based on new capacity created through schedule smoothing to reduce number of full-time equivalents to the appropriate number for that capacity.

- b. Access to Care: For the Access to Care Services, Optum will:
- i. Form an Access to Care Work Team and a Guiding Coalition of physicians, and determine meeting cadence;
  - ii. Prepare and submit information / data request to Natividad covering 12 months of financial, operational, scheduling, and staffing data, as well as other pertinent documents including practice policies and procedures, etc.;
  - iii. Conduct up to 15 Natividad stakeholder interviews with key access to care personnel including administrators and providers;
  - iv. Complete 3-4 clinic access to care observations to gain a qualitative understanding of current Natividad operations, clerical protocols and workflows, implementation and use of scheduling technology, and observable measures of patient experience;
  - v. Conduct qualitative and quantitative analysis, including:
    1. Evaluation of access-related organizational infrastructure and functional capabilities to support change management;
    2. Assessment of operational barriers impacting access to care, measurement of current state performance against best practice metrics including metric such as, but not limited to, fill rate, no show rate, cancellation rate, etc.;
    3. Assessment of patient no-show behavior including key drivers of patient no-shows;
    4. Determine provider engagement within change management process;
  - vi. Develop guiding principles of Natividad's access to care vision with Work Team and Guiding Coalition;
  - vii. Develop comprehensive access ownership including establishment of appropriately dedicated and/or centrally organized structures responsible for key access functions (analytics, optimization, maintenance), including:
    1. Train available Natividad staff as part of a performance improvement team to perform a knowledge transfer and specific competencies developed to maintain future sustainability;
  - viii. Outline customized roadmap for access expansion implementation;
  - ix. Develop a profile of Natividad's patient population relative to no-show behavior;
  - x. Conduct audits of session variance for all Natividad physicians with contracted ambulatory clinical hours;
  - xi. Evaluate observed session variance with Natividad and determine and lead appropriate interventions with guidance from Natividad;
  - xii. Develop consistent mechanisms to verify frequent, consistent evaluation and monitoring of session variance;
  - xiii. Design, build, implement, and provide access to its no-show predictive analytics calculator (the "Calculator"). The Calculator shall be deemed an Optum Tool (as defined in the Agreement). Optum grants Natividad the nonexclusive, nontransferable right to use the Calculator, for Customer's internal business purposes, without the right to resell or distribute.;
  - xiv. Collaborate with Natividad to redesign physician appointment schedules, including template redesign and office visit type consolidation for practices;
  - xv. Investigate issues impacting current referral streams and recommend mitigation strategies in alignment with employed and referring physicians;
  - xvi. Work with Natividad to simplify and align patient contact / scheduling pathways to promote ease and convenience;
  - xvii. Perform systematic change management strategies and methodologies to engage physicians and administrators;

- xviii. Provide education of key access principles to enable long term sustainability and adoption of best practice.

B. Deliverables. Optum will provide to Natividad the following deliverables:

- Master project plan;
- ESC charter;
- Monthly ESC report-out for Work Teams;
- Access to care work group charter;
- Monthly access to care work group report out;
- Work Team charters, action and project plans;
- Implementation plans for analytic, education and rollout;
- Final ESC report;
- Work Team transition plan.

C. Out of Scope. Any services outside the Perioperative Services set forth in herein are considered out of scope, including but not limited to the following:

- Anesthesiology staffing and compensation, Physician Preference Item utilization, Purchased Services contracting, Procedure-related revenue cycle and denials management, Service line clinic staffing and management, capital improvement plans and budgets, and any Optum products.

II. Timeline. The Perioperative Services have been estimated to take nine (9) months. Natividad understands that failure to meet its obligations, delays caused in scheduling meetings, changes in the objectives or scope of the project and/or new information acquired during the course of the project, may impact Optum's ability to deliver the Perioperative Services within the estimated timeline.

III. Fees and Payment Terms.

A. Services Fee. This is a fixed fee project; accordingly, Natividad shall pay Optum the fixed fee amount of \$1,560,000 (US\$) for the Perioperative Services (the "Services Fee"). Natividad understands that delays caused in scheduling meetings, changes in the objectives or scope of the project and/or new information acquired during the course of the project, may impact Optum's ability to deliver the Services within the Services Fee. Expenses to be incurred as part of the Services are included in the Services Fee. Unless otherwise agreed to by the parties pursuant to a change request, Natividad shall not be responsible for any additional travel related expenses or other out-of-pocket expenses.

B. Billing. Optum shall invoice Natividad for the Services Fee in eighteen (18) payments of \$86,667 each. The first invoice will be sent upon execution of Amendment No. Two to the Agreement, and the remaining seventeen (17) invoices will be sent prior to the first day of the following seventeen (17) months. The invoice shall set forth the amounts claimed by Optum for the previous period, with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. Natividad shall certify the invoice, either in the requested amount or in such other amount as Natividad approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.