



Monterey County

188 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 13-045

April 23, 2013

Introduced: 4/4/2013

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a) Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement Laurel J. Grimm M.D. to provide Hospitalist Services at NMC, extending the term of the Agreement to June 30, 2014 for a total amount not to exceed \$200,000 in the aggregate (for the period October 1, 2012 to June 30, 2014).
- b) Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement Laurel J. Grimm M.D. to provide Hospitalist Services at NMC, extending the term of the Agreement to June 30, 2014 for a total amount not to exceed \$200,000 in the aggregate (for the period October 1, 2012 to June 30, 2014).
- b) Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

NMC operates two medical surgical units (35 beds) and one intensive care unit (10 beds) that provide 24 hours, 7 days a week direct patient care to acutely ill hospitalized patients. In order to efficiently staff these units and 24/7 patient care, it requires a total of six full time equivalent (FTE) hospitalists and critical care providers made up of full-time employee and part-time independent contractor physicians.

On October 1, 2012, NMC entered into an agreement in the amount of \$100,000 with Dr. Grimm to provide hospitalist services as needed on the medical surgical unit. The maximum liability was nearly reached in the first six months of the agreement due to an unanticipated absence of another hospitalist and we needed Dr. Grimm to cover the service. NMC wishes to enter into a First Amendment, effective May 1, 2013, to increase the maximum liability of the agreement in order to continue utilize Dr. Grimm's services without interruption. The quantity of services may increase due to patient volume and need for coverage, but will not increase the rate of pay or exceed the maximum liability of this agreement. 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/Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment/Agreement is \$200,000 for the period October 1, 2012 to June 30, 2014. \$120,000 is included in the Fiscal Year 2012/2013 Adopted Budget; \$60,000 is included the Fiscal Year 2012/2014 Recommended Budget; and the remaining \$20,000 will be budgeted in subsequent fiscal years. There is no impact to the General Fund.

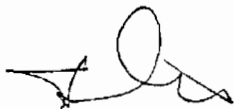
Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments:

First Amendment, Agreement

Originals on File at the Clerk of the Board



Harry Weis, CEO

4/12/13

Date



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Agreement No.: A-12443

Upon motion of Supervisor Potter, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

- a. Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement Laurel J. Grimm M.D. to provide Hospitalist Services at NMC, extending the term of the Agreement to June 30, 2014 for a total amount not to exceed \$200,000 in the aggregate (for the period October 1, 2012 to June 30, 2014).
- b. Authorized the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

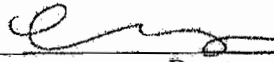
PASSED AND ADOPTED on this 23rd day of April 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter
 NOES: None
 ABSENT: None

I, Gail T. Borkowski, 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 76 for the meeting on April 23, 2013.

Dated: April 26, 2013
File Number: A 13-045

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "**Amendment**") is made and entered into as of May 1, 2013, by and between COUNTY OF MONTEREY ("**County**") on behalf of NATIVIDAD MEDICAL CENTER ("**Hospital**"), and LAUREL J. GRIMM, M.D., an individual ("**Contractor**") with respect to the following:

RECITALS

- A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California under its acute care license.
- B. Contractor and Hospital have entered into that certain Professional Services Agreement effective as of October 1, 2012 (the "**Agreement**"), pursuant to which Contractor provides Specialty services.
- C. Hospital and Contractor desire to amend the Agreement.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, Hospital and Contractor agree as follows:

- 1. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
- 2. **Section 2.1.** Section 2.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the "**Compensation**"), upon the terms and conditions set forth therein. The amount payable by Hospital to Contractor under this Agreement shall not exceed Two Hundred Thousand Dollars (\$200,000)."
- 3. **Section 5.1.** Section 5.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"5.1 Term. This Agreement shall become effective on October 1, 2012 (the "**Effective Date**"), and shall continue until June 30, 2014 (the "**Expiration Date**"), subject to the termination provisions of this Agreement."
- 4. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

5. **Continuing Effect of Agreement.** Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.

6. **Reference.** After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

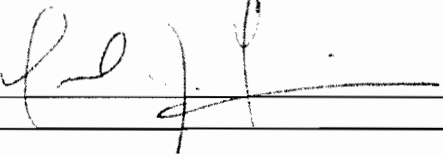
IN WITNESS WHEREOF, Hospital and Contractor have executed this Amendment as of the day and year first written above.

[signature page follows]

CONTRACTOR

LAUREL J. GRIMM M.D., an individual

Date: March 31³¹ 2013

By: 
Its _____

By: _____
Its _____

Tax I.D. No. _____

NATIVIDAD MEDICAL CENTER

Purchase Order Number

By: _____
Contracts /Purchasing Manager

Date: _____, 20__

By: 
Natividad Medical Center Representative

Date: 4/4, 2013

APPROVED AS TO LEGAL FORM:
CHARLES J. McKEE, County Counsel

Stacy Saetta, Deputy County Counsel

Date: _____, 20__