



Monterey County

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

Board Report

File Number: A 22-346

Agenda Date: 7/12/2022

Version: 2

Status: Agenda Ready

In Control: Board of Supervisors

File Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreement (A-13599) with Quest Diagnostics, Inc. for lab reference testing services, extending the agreement an additional one (1) year period (July 1, 2022 through June 30, 2023) for a revised full agreement term of July 1, 2017 through June 30, 2023, and adding \$1,130,000 for a revised total agreement amount not to exceed \$5,260,000.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreement (A-13599) with Quest Diagnostics, Inc. for lab reference testing services, extending the agreement an additional one (1) year period (July 1, 2022 through June 30, 2023) for a revised full agreement term of July 1, 2017 through June 30, 2023, and adding \$1,130,000 for a revised total agreement amount not to exceed \$5,260,000.

SUMMARY/DISCUSSION:

Quest Diagnostics is the leading provider of diagnostic testing in the nation, and serves approximately 140 million patients each year. Quest Diagnostics is NMC Laboratory's primary reference laboratory, although NMC uses Salinas Valley Memorial Hospital as a reference laboratory on occasion as well. Physicians at NMC and local clinics, which send laboratory work to NMC, may order highly specific types of tests, which the NMC Laboratory cannot perform on-site. As laboratory technology advances, more and more test requests that are not available at the NMC laboratory become available for Physicians and clinics to order; these tests are used for the diagnosis of disease or monitoring of disease processes and are critical for patient care. The NMC laboratory cannot justify bringing in instruments or additional staff for the low volume of every type individual test available. NMC's laboratory staff currently does monitor and shall continue to monitor test utilization to look for opportunities to in-source any test that has sufficient volume and methodology which could be incorporated into the Natividad Laboratory.

NMC's laboratory has an established software interface with Quest diagnostics, which allows results to be transferred securely and directly from the reference laboratory to the patient medical record at Natividad Medical Center. A Natividad clinical laboratory scientist verifies the validity of the results

before they are finalized in the medical record. These services are very important for Natividad and its patients.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this amendment No. 3 as to form, 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 and by its Board of Trustees on June 10, 2020.

FINANCING:

The cost for this amendment No. 2 is \$1,130,000 of which \$1,130,000 will be included in the Fiscal Year 2022-23 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Use of a Quest Diagnostics Reference Lab Services allows the clinicians of Natividad Hospital to order laboratory tests that are essential in effective diagnosis and monitoring of patient care. Laboratory tests are correlated with patient history and presentation to arrive at the most confident and data-driven decisions regarding care. In addition, Natividad laboratory makes use of the reference lab to confirm internal findings prior to issuing significant diagnosis to the patient, when reagents are unavailable, or lab instrumentation is in repair. The use of an immediate and reliable reference lab is vital part of the laboratory's plan to support the hospital.

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

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Approved by: Charles Harris, MD, Chief Executive Officer, 783-2553

Attachments:

- Quest Diagnostics, Inc. Amendment 3
- Quest Diagnostics, Inc. Amendment 2
- Quest Diagnostics, Inc. Amendment 1
- Quest Diagnostics, Inc. Agreement

Attachments on file with the Clerk of the Board

Dr. Charles R. Harris
Dr. Charles R. Harris, Chief Executive Officer

6/22/22
Date