

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	January 11, 2011	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement with Latham & Watkins LLP for Legal Services at NMC in an amount not to exceed \$400,000 (an increase of \$300,000) for the period October 1, 2010 to June 30, 2011.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement with Latham & Watkins LLP for Legal Services at NMC in an amount not to exceed \$400,000 (an increase of \$300,000) for the period October 1, 2010 to June 30, 2011.

SUMMARY/DISCUSSION:

Latham & Watkins LLP is one of the pre-eminent law firms representing healthcare systems and local community hospitals throughout the United States. Their healthcare attorneys have specific experience with the nuanced regulations that govern the healthcare industries, including those related to fraud and abuse. Medicare/Medicaid reimbursement, healthcare regulatory requirements, financing regulation, and licensing. On July 27, 2010, the Board of Supervisors approved the original Agreement with Latham & Watkins for Legal Services at Natividad Medical Center ("NMC") in an amount not to exceed \$100,000 for the period May 1, 2010 to April 30, 2011 ("Agreement").

During the first several months of the Agreement, at a time when most of the County's agreements with healthcare professionals at NMC were undergoing amendment for the new fiscal year, Latham & Watkins provided sizeable legal services to the County of Monterey, to ensure that the County's agreements complied with state and federal healthcare and Medicare compliance laws. The potential sanctions for noncompliance with these laws are severe and include civil and criminal liability, as well as debarment or exclusion from participation in Medicare. Because the requested services pertained to multiple healthcare professional agreements and, due to the severity of potential sanctions for noncompliance, required the skilled competence of healthcare law experts, the law firm's advice and counsel were both necessary and extensive. The original maximum liability was reached as a result of services rendered through September 30, 2010. In order to compensate the firm for its legal services rendered since October 1, 2010, Amendment #1 to the Agreement has been given an effective date of October 1, 2010. The law firm's services will continue to be needed in the area of healthcare professional agreements compliance and as NMC readies itself for changes initiated by healthcare reform. Accordingly the Agreement has been extended to June 30, 2011.

OTHER AGENCY INVOLVEMENT:

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office and the Natividad Medical Center Board of Trustees.

FINANCING:

The cost for this Amendment is \$300,000 and is included in the 2010/2011 FY Approved Budget. This action will not require any additional General Fund subsidy.

Prepared by:
Stacy Sietta
(831) 755-5333
January 3, 2011

Harry Weis
Chief Executive Officer

Attachments: Amendment #1, Agreement, Board Order

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Agreement No.: A-11791

Authorize the Purchasing Manager for)
Natividad Medical Center (NMC) to execute)
Amendment No. 1 to the Agreement with)
Latham & Watkins LLP for Legal Services at)
NMC in an amount not to exceed \$400,000)
(an increase of \$300,000) for the period)
October 1, 2010 to June 30, 2011.....)

Upon motion of Supervisor Armenta, seconded by Supervisor Potter, and carried by those members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement with Latham & Watkins LLP for Legal Services at NMC in an amount not to exceed \$400,000 (an increase of \$300,000) for the period October 1, 2010 to June 30, 2011.

PASSED AND ADOPTED this 11th day of January 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter

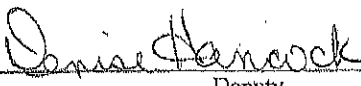
NOES: None

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 75 for the meeting on January 11, 2011.

Dated: January 18, 2011

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

By 
Deputy

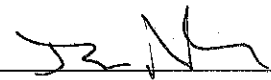
AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Latham & Watkins AND
THE NATIVIDAD MEDICAL CENTER
FOR
Independent Consulting and Legal Services

The parties to Professional Service Agreement, dated May 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Latham & Watkins (Contractor), hereby agree to amend their Agreement No. (A-11791) on the following terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11791).
2. This Amendment shall become effective on October 1, 2010 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (BPO757) shall not exceed the total sum of \$400,000 for the full term of the Agreement and \$400,000 for fiscal year 2010-2011.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-11791).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated 9/22/10
Printed Name Jerry Peters Title Partner

NATIVIDAD MEDICAL CENTER

Signature _____ Dated _____
Purchasing Manager
Signature  Dated 10/8/10
NMC - CEO

Approved as to Legal Form:
Charles J. McKee, County Counsel

By _____
Stacy Sacitta, Deputy
Attorneys for County and NMC

Dated: _____, 2010