



County of Monterey

Item No.

Board Report

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

Legistar File Number: A 25-166

June 03, 2025

Introduced: 5/9/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 5 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, 2025 through June 30, 2026) for a revised full agreement term of July 1, 2017, through June 30, 2026, and adding \$1,235,000 for a revised total agreement amount not to exceed \$8,295,000.

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. 5 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, 2025 through June 30, 2026) for a revised full agreement term of July 1, 2017, through June 30, 2026, and adding \$1,235,000 for a revised total agreement amount not to exceed \$8,295,000.

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 Natividad Medical Center Laboratory's primary reference laboratory, although Natividad Medical Center uses Salinas Valley Memorial Hospital as a reference laboratory on occasion as well. Physicians at Natividad Medical Center and local clinics, which send laboratory work to Natividad Medical Center, may order highly specific types of tests, which the Natividad Medical Center Laboratory cannot perform on-site. As laboratory technology advances, more and more test requests that are not available at the Natividad Medical Center 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 Natividad Medical Center laboratory cannot justify bringing in instruments or additional staff for the low volume of every type individual test available. Natividad Medical Center'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 Medical Center Laboratory.

Natividad Medical Center'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 Medical Center clinical laboratory scientist

verifies the validity of the results before they are finalized in the medical record. These services are very important for Natividad Medical Center and its patients.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this amendment No. 5 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 5 has also been reviewed and approved by Natividad's Finance Committee and by its Board of Trustees on May 09, 2025.

FINANCING:

The cost of this amendment No. 5 is \$1,235,000 of which \$240,000 is included in the FY 2024-25 Adopted Budget. Amounts for remaining year of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-6605.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Use of a Quest Diagnostics Reference Lab Services allows the clinicians of Natividad Medical Center 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 Medical Center 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 Amendment 5
- Quest Diagnostics Renewal & Amendment 4
- Quest Diagnostics Amendment 3
- Quest Diagnostics Amendment 2
- Quest Diagnostics Amendment 1
- Quest Diagnostics Agreement

Attachments on file with the Clerk of the Board

