



# Monterey County

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## Board Report

Legistar File Number: A 17-149

June 06, 2017

Introduced: 5/4/2017

Version: 1

Current Status: Agenda Ready

Matter Type: BoS Agreement

- a. Authorize Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Fourth Amendment to the Professional and Call Coverage Services Agreement (A-12711) with Brian Lugo M.D. Medical Corp to provide general and critical care surgery services, extending the term by twenty-four (24) months (July 1, 2017 to June 30, 2019) for a revised full agreement term of August 1, 2013 to June 30, 2019, and adding \$600,000 for a revised total not to exceed amount of \$1,600,000 in the aggregate ; and
- b. Authorize the Deputy Purchasing Agent for NMC to sign up to three (3) future amendments to this agreement where the total amendments do not exceed the term by more than twelve (12) months, do not significantly change the scope of work, and do not cause an increase of more than ten percent 10% (\$10,000) of the original contract amount per each amendment.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Fourth Amendment to the Professional and Call Coverage Services Agreement (A-12711) with Brian Lugo M.D. Medical Corp to provide general and critical care surgery services, extending the term by twenty-four (24) months (July 1, 2017 to June 30, 2019) for a revised full agreement term of August 1, 2013 to June 30, 2019, and adding \$600,000 for a revised total not to exceed amount of \$1,600,000 in the aggregate ; and
- b. Authorize the Deputy Purchasing Agent for NMC to sign up to three (3) future amendments to this agreement where the total amendments do not exceed the term by more than twelve (12) months, do not significantly change the scope of work, and do not cause an increase of more than ten percent 10% (\$10,000) of the original contract amount per each amendment.

### SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) received its designation as the Level II Trauma Center for Monterey County in January 2015. The American College of Surgeons requires acute critical care surgeons to be available in-house with a 15 minute response time for Level II Trauma Centers. In order to provide 24/7 care, it is necessary to maintain a core team of quality surgeons made up of employed and independent contract physicians to provide daily call coverage in the Emergency Department and follow-up care to patients in the Intensive Care Unit.

NMC has an agreement with Brian Lugo M.D. Medical Corp, for which Brian Lugo M.D., a board certified and fellowship trained trauma and critical surgeon, provides general surgery and critical care services. NMC wishes to amend the agreement with Brian Lugo M.D. Medical Corp to extend the term in order to provide the same services without interruption. Dr. Lugo is paid a daily rate for coverage services, although services may increase due to the need for coverage, but the rate remains the same. 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 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Finance Committee and Board of Trustees on May 5, 2017.

FINANCING:

The cost of this Amendment is \$600,000. The total not to exceed amount of this Agreement is \$1,600,000 for the period August 1, 2013 to June 30, 2019. The actual cost is contingent upon Dr. Lugo's level of participation in the call panel, which may fluctuate based on his availability. \$96,169 was disbursed in Fiscal Year 2013/2014; \$169,720 was disbursed in Fiscal Year 2014/2015; \$255,742 was disbursed in Fiscal Year 2015/2016; and \$175,061 has been disbursed in Fiscal Year 2016/2017 (9 months). NMC has agreements with multiple providers to cover this service the total expenditure will not exceed \$1,300,000 annually which is included in the Fiscal Year 2017/2018 Recommended Budget. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services rendered in this agreement provide NMC with the additional support it needs in order to provide reliable and high quality patient care which improves the health and quality of life for patients and their families.

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

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

Approved by: Gary Gray D.O., Chief Executive Officer, 783.2553

Attachments: Agreement; First-Fourth Amendment

Attachments on file at the Clerk of the Board