



Legislation Details (With Board Report)

File #: A 12-060 **Name:** Marblehead Group Amendment #6
Type: BoS Agreement **Status:** Passed
File created: 5/2/2012 **In control:** Board of Supervisors
On agenda: 6/12/2012 **Final action:** 6/12/2012

Title: Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-11277) with The Marblehead Group for continued Consultative Services at NMC, extending the Agreement to June 30, 2013 and adding \$100,000 for a revised total Agreement amount not to exceed of \$1,430,500 in the aggregate.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Marblehead Group, 2. Completed Board Order

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 6/12/2012 | 1 | Board of Supervisors | approved | |

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-11277) with The Marblehead Group for continued Consultative Services at NMC, extending the Agreement to June 30, 2013 and adding \$100,000 for a revised total Agreement amount not to exceed of \$1,430,500 in the aggregate.

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-11277) with The Marblehead Group for continued Consultative Services at NMC, extending the Agreement to June 30, 2013 and adding \$100,000 for a revised total Agreement amount not to exceed of \$1,430,500 in the aggregate.

SUMMARY/DISCUSSION:

The Marblehead Group, LLC will continue to provide assistance to the Natividad Medical Center (NMC) Senior Management Team by continuing to develop, implement, and manage the expansion of physician services and physician business management capabilities at Natividad Medical Center. NMC's needs in all areas of physician business management continue to evolve and expand following the successful financial turnaround and subsequent profitable performances. In addition, community providers (physicians, medical groups and hospitals in and outside of Monterey County are seeking to partner with NMC in ventures not anticipated or experienced by NMC in the past. Subsequently, the CMO's office is continuing to handle an ever increasing number and complexity of physician and hospital business opportunities.

Due to continued local market dynamics, (e.g., an expanding MediCal population due to continued economic difficulties and expansion of eligible population, increased competition for MediCal patients due to potential enhanced reimbursement, requirements for hospitals and physicians for value based purchasing, increased competition for existing services, and the necessity to develop new service lines in order to remain competitive in the marketplace). The size and complexity of physician business matters continue to be beyond what NMC forecasted. The task continues to be daunting - to refine and implement the optimal physician/hospital delivery

model. Because of all these needs NMC continues to require unique physician business management skills and resources to be able to address NMC's (and the County's) complex and rapidly changing needs.

NMC is committed to finding a permanent (in-house) solution to be able to obtain the requisite physician services skill set as soon it can be practically implemented, and in a fiscally sound manner.

Lisa Soroka of the Marblehead Group, LLC will continue to help ensure that NMC can successfully (and in a fiscally and politically sound manner) achieve its physician business initiatives by:

1. Developing a practical and implementable Profit and Loss Model for tracking expenses and revenues for each existing and new business opportunity at the program, department, and physician level.
2. Continuing to manage new contracts/recruitments with physician recruiting (permanent) companies to enhance physician recruiting efforts (resulting in enhanced physician placement) and better manage use and fiscal impact.
3. Continuing to evaluate, model and implement strategic business opportunities and joint efforts among NMC, the Department of Health, academic institutions and other community partners.
4. Developing and implementing a for-profit nationwide Interpretive Service/Company for Indigenous Languages.
5. Continuing to assist in development of physician/hospital delivery model.
6. Evaluating, developing strategies and contingencies both on program level and physician level as related to Health System formation and conversely develop strategies and contingencies to prepare for new market dynamics that may result from the emergence of a for profit hospital system in Monterey County.
7. Continuing to refine, enhance and develop NMC relationship with HD related to NMC Family Practice residency.
8. Continuing to develop and implement new physician services and programs at NMC including but not limited to:
 - a. Hematology - Oncology including clinic, inpatient and infusion services
 - b. Breast Center
 - c. Pain Management
 - d. Dermatology
 - e. Nurse Midwife

Worker's Compensation Insurance Exemption

Contractor is the sole provider of services with no permanent or temporary workers. Accordingly, Worker's Compensation Insurance is not required.

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 Board of Trustees.

FINANCING:

The cost for this Amendment is \$100,000 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to

the General Fund.

Prepared by: Gary Gray, DO, Chief Medical Officer, 783-2504

Approved by: Harry Weis, Chief Executive Officer, 783-2124

Attachments: Agreement, Amendment 1, 2, 3, 4, 5, and 6.