



County of Monterey

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

Board Report

File #: A 14-272, **Version:** 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the Third Amendment to Professional Medical Services Agreement with Laurel J. Grimm M.D. to provide hospitalist services at NMC effective January 1, 2015, adding \$200,000 and extending the term of the Agreement to December 31, 2015 for a total amount not to exceed \$600,000 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC to execute up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a) Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the Third Amendment to Professional Medical Services Agreement with Laurel J. Grimm M.D. to provide hospitalist services at NMC effective January 1, 2015, adding \$200,000 and extending the term of the Agreement to December 31, 2015 for a total amount not to exceed \$600,000 in the aggregate; and
- b) Authorize the Deputy Purchasing Agent for NMC to execute up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

NMC operates two medical surgical units (35 beds) and one intensive care unit (10 beds) that provide 24 hours, 7 days a week direct patient care to hospitalized patients. It requires a team of internal medicine and family medicine physicians known as hospitalists to efficiently staff these units and provide 24/7 patient care.

NMC entered into an agreement with Dr. Grimm on October 1, 2012 to provide hospitalist services as needed on the medical surgical unit. The agreement was amended May 1, 2013 and January 1, 2014 to increase the amount of the agreement due to an unexpected increase of services to cover for an absent provider. NMC wishes to enter into this Third Amendment to extend the term and add to the amount payable in order to continue to utilize Dr. Grimm's services to cover for a vacant position in the hospitalist service. This Amendment does not change the rate of pay for services. NMC has obtained an independent opinion of fair market value supporting the payment terms.

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 on October 23, 2014 and Board of Trustees on November 7, 2014.

FINANCING:

The cost for this Amendment is \$200,000. The total not to exceed amount of the Agreement is \$600,000 for the

period October 1, 2012 to December 31, 2015. \$162,105 was disbursed in Fiscal Year 2012/2013; \$132,840 was disbursed in Fiscal Year 2013/2014; and \$150,000 is included in the Fiscal Year 2014/2015 Adopted Budget. The remaining \$155,055 will be budgeted for subsequent fiscal years. There is no impact to the General Fund.

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

Approved by: Kelly O'Keefe, Interim Executive Officer, 783.2553

Attachments:

Agreement; First-Third Amendment

Attachments on File at the Clerk of the Board