



County of Monterey

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

Board Report

File #: A 13-277, **Version:** 1

Consider authorizing the Purchasing Manager for Natividad Medical Center (NMC) to execute the Letter Agreement to extend the Professional Services Agreement (A-12154) with Precision Orthopedics to provide orthopedic services at NMC extending the term an additional one hundred twenty (120) days to April 30, 2014.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Letter Agreement to extend the Professional Services Agreement (A-12154) with Precision Orthopedics to provide orthopedic services at NMC extending the term an additional one hundred twenty (120) days to April 30, 2014.

SUMMARY/DISCUSSION:

NMC entered into an agreement with Precision Orthopedics to provide professional services in the Specialty Clinic; inpatient/outpatient surgery and orthopedic call coverage in the emergency department on January 1, 2012 and amended January 1, 2013. The terms of the Second Amendment with Precision Orthopedics to extend the Agreement past the expiration date of December 31, 2013 are not yet settled. NMC must ensure that a written agreement or extension letter is in place whenever medical services are rendered according to the Federal Stark Law. The Federal Stark Law prohibits physician self-referral, the practice of a physician referring a patient to a medical facility in which he has a financial interest, be it ownership, investment or structured compensation.

NMC wishes to execute a Letter Agreement with Precision Orthopedics to extend the term of the Agreement an additional 120 days in order to continue to provide orthopedic services at NMC without interruption. This Letter Agreement does not add funds or change the scope of services to the Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment/Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment/Agreement \$2,840,000 for the period (January 1, 2012 to December 31, 2014). \$452,353 was disbursed in Fiscal Year 2011/2012 (6 months); \$671,388 was disbursed in Fiscal Year 2012/2013; \$820,000 is included in Fiscal Year 2013/2014 Adopted Budget. There is no impact to the General Fund.

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

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments:

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Letter Agreement, First-Second Amendment, Agreement

Original on File at the Clerk of the Board