



County of Monterey

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

Board Report

File #: A 14-137, **Version:** 1

- a. Authorize and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to the Professional Services Agreement with Kaidong Wang M.D. to provide physical medicine and rehabilitation services at NMC, extending the term to June 30, 2016 and adding \$150,000 for a revised Agreement amount not to exceed \$250,000 in the aggregate (for the period March 1, 2013 to June 30, 2016); and
- b. Authorize the Purchasing Manager for NMC to sign 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 and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to the Professional Services Agreement with Kaidong Wang M.D. to provide physical medicine and rehabilitation services at NMC, extending the term to June 30, 2016 and adding \$150,000 for a revised Agreement amount not to exceed \$250,000 in the aggregate (for the period March 1, 2013 to June 30, 2016); and
- b) Authorize the Purchasing Manager for NMC to sign 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:

The Acute Rehabilitation Unit (ARU) at Natividad Medical Center assists patients with the transition from an acute hospital setting to home. Patients receive daily physician visits to ensure medical stability and optimal functional recovery. NMC has an agreement with Kaidong Wang M.D. to provide twenty four hour call coverage, professional consultation and treatment of hospitalized patients in the ARU. NMC wishes to amend the agreement with Dr. Wang to extend the term an additional twenty four (24) months in order to continue to provide services without interruption.

This amendment adds \$150,000 to the Agreement for services provided during the extended term. Dr. Wang is paid a coverage services rate according to the terms of the Agreement. The amount of services may increase due to patient volume of the unit. 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/Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The CAO-Budget and Analysis Division has advised to inform the BOS the spending authority (appropriations) associated with NMC's FY 2014 Adopted Budget has been exceeded and approval and authorization for modification of NMC's appropriation budget should be presented to the BOS. Since NMC is an Enterprise Fund, this does not

present continued expenditures and is not a legal requirement, but it is considered good public policy, transparency and fiscal management. The Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Finance Committee on May 22, 2014 and Board of Trustees on June 6, 2014.

FINANCING:

The total cost for this Amendment/Agreement \$250,000 for the period (March 1, 2013 to June 30, 2016). \$22,500 was disbursed in Fiscal Year 2012/2013 (4 months); \$60,000 is included in Fiscal Year 2013/2014 Adopted Budget, of which \$40,950 has been disbursed year to date. \$70,000 is included in the Fiscal Year 2014/2015 Recommended Budget. The remaining \$80,000 will be budgeted in Fiscal Year 2015/2016. NMC is confirming its appropriations position and if its spending authority has been exceeded will return to the Board. 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:

First Amendment; Agreement

Attachments on file at the Clerk of the Board