



County of Monterey

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

Board Report

File #: A 13-245, **Version:** 1

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Letter of Agreement to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics (“UCSF”), and Natividad Medical Center (“NMC”) to provide Neonatology Services at NMC, extending the term an additional 120 days to March 1, 2014.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Letter of Agreement to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics (“UCSF”), and Natividad Medical Center (“NMC”) to provide Neonatology Services at NMC, extending the term an additional 120 days to March 1, 2014.

SUMMARY/DISCUSSION:

Natividad Medical Center’s Neonatal Intensive Care Unit (“NICU”) provides stabilization of the initially ill newborn and intermediate intensive care as well as continuing care for growing newborns. NMC has an agreement with UCSF School of Medicine Department of Pediatrics effective November 1, 2008; as amended on November 1, 2012 to provide two highly trained neonatologists / pediatricians for physician coverage of infants admitted to the NICU as well as oversight and medical direction of the unit.

The current agreement term ends October 31, 2013. The details regarding the Second Amendment with UCSF to extend the term an additional twelve month and continue to provide the same scope of services are not yet established between the parties. To be in compliance with Federal Stark Law, NMC must ensure that a written agreement or extension letter with UCSF is in place whenever medical services are rendered. 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 a structured compensation arrangement. Accordingly, NMC will go to the Board with the details of the Second Amendment once they have been settled in order ensure continuation of services in NMC’s Neonatal Intensive Care Unit, all in accordance with Federal Stark Law.

NMC wishes to execute a Letter of Agreement with UCSF to extend the term an additional 120 days and continue to provide neonatal services to NICU patients without interruption while the terms of the Second Amendment are being settled.

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 fiscal expenditures that were presented in the October 23, 2012 Board Report were incorrect. The following is the corrected version. The total cost for this Amendment/Agreement is \$1,050,000 for the period November 1, 2008 to October 31, 2013. \$277,845 was disbursed in Fiscal Year 2009/2010; \$185,710 in Fiscal Year 2010/2011; \$81,854 in Fiscal Year 2011/2012 and \$359,320 in Fiscal Year 2012/13. \$195,270 is included in the Fiscal Year 2013/14 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:

Letter of Agreement; First Amendment; Agreement

Originals on file at the Clerk of the Board