



County of Monterey

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

Board Report

File #: A 14-140, **Version:** 1

- a. Authorize and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the Second Amendment to the Professional Services Agreement (A-10277) with California Emergency Physicians Medical Group to provide emergency medicine services at NMC, extending the term to June 30, 2015 and adding \$1,362,000 for a revised Agreement amount not to exceed \$5,358,405 in the aggregate (for the period July 1, 2011 to June 30, 2015); 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 Second Amendment to the Professional Services Agreement (A-10277) with California Emergency Physicians Medical Group to provide emergency medicine services at NMC, extending the term to June 30, 2015 and adding \$1,362,000 for a revised Agreement amount not to exceed \$5,358,405 in the aggregate (for the period July 1, 2011 to June 30, 2015); 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:

NMC has an agreement with California Emergency Physicians Medical Group (CEP), a general partnership consisting of Emergency Department (ED) providers (physicians, physician assistants and nurse practitioners) to provide complete and exclusive medical director and provider services coverage in the ED. The ED accepts patients 24 hours per day, 7 days a week delivering care to over 47,000 patients per year.

NMC wishes to amend the agreement with CEP to extend the term an additional twelve months in order to continue to provide emergency medicine services to emergency department patients without interruption. This amendment increases the amount payable for Rapid Medical Evaluation Services, a program to quickly assess patient acuity in the Emergency Department, due to the need for additional staffing to provide services to the increased number of patient visits. This amendment also adds certain trauma criteria, such as continued medical education and participation in trauma committees, required upon the activation of the Level II Trauma Center at NMC according to the American College of Surgeons. The compensation for medical director and the maximum incentive amount remain the same.

The additional \$1,362,000 includes the compensation for professional services and the maximum allowable incentive compensation based on emergency department patient satisfaction and core measure goals for the period July 1, 2014 to June 30, 2015. 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 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment 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 expenditure, but it is considered good public policy, transparency and fiscal management. The Amendment 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 cost of this Amendment is \$1,362,000. The total not to exceed amount of this Agreement is \$5,358,405 for the period (July 1, 2011 to June 30, 2015). \$1,234,674 was disbursed in Fiscal Year 2011/2012; \$1,227,912 was disbursed in Fiscal Year 2012/2013; and \$1,320,000 is included in Fiscal Year 2013/2014 Adopted Budget, of which \$844,088 has been disbursed year to date. \$1,362,000 is included in the Fiscal Year 2014/2015 Recommended Budget. 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-Second Amendment; Agreement

Attachments on file at the Clerk of the Board