



## Board Report

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**File #:** RES 21-1047, **Version:** 2

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Adopt Resolution to:

- a. Approve a revision to the standard “Employment Agreement (Hospital Physician)” for Natividad Unit U physician employees as indicated in Attachment A - Summary of Revisions, for Natividad Unit U physicians, providing that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing coverage equal to or greater than that provided by the expired/terminated continuous coverage, to be used with all new and renewed employment agreements beginning January 1, 2022;
- b. Approve a revision to the standard “Public Health Emergency Temporary Employment Agreement (Physician)” for employed emergency temporary physicians at Natividad, as indicated in Attachment A, providing that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing coverage equal to or greater than that provided by the expired/terminated continuous coverage, to be used with all new and renewed employment agreements beginning January 1, 2022;
- c. Authorize updates to the agreement templates in accordance with local, federal, and/or state law, subject to review and approval by County Counsel;
- e. Authorize amendments to agreement templates that do not change salary ranges or provision of benefits, and, further, do not significantly change the scope of either party’s obligations or responsibilities, subject to review and approval by County Counsel; and
- d. Authorize the Hospital Chief Executive Officer to execute agreements for contract employment with Unit U physicians and emergency temporary physicians, by use of the Board-approved standard employment agreement formats, as revised, so long as the salary is within the approved salary range for the position, and costs of salary and benefits as applicable are within Natividad’s approved fiscal year budget.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt Resolution to:

- a) Approve a revision to the standard “Employment Agreement (Hospital Physician)” for Natividad Unit U physician employees as indicated in Attachment A - Summary of Revisions, for Natividad Unit U physicians, providing that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing coverage equal to or greater than that provided by the expired/terminated continuous coverage, to be used with all new and renewed employment agreements beginning January 1, 2022;
- b) Approve a revision to the standard “Public Health Emergency Temporary Employment Agreement (Physician)” for employed emergency temporary physicians at Natividad, as indicated in Attachment A, providing that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing

- coverage equal to or greater than that provided by the expired/terminated continuous coverage, to be used with all new and renewed employment agreements beginning January 1, 2022;
- c) Authorize updates to the agreement templates in accordance with local, federal, and/or state law, subject to review and approval by County Counsel;
  - d) Authorize amendments to agreement templates that do not change salary ranges or provision of benefits, and, further, do not significantly change the scope of either party's obligations or responsibilities, subject to review and approval by County Counsel; and
  - e) Authorize the Hospital Chief Executive Officer to execute agreements for contract employment with Unit U physicians and emergency temporary physicians, by use of the Board-approved standard employment agreement formats, as revised, so long as the salary is within the approved salary range for the position, and costs of salary and benefits as applicable are within Natividad's approved fiscal year budget.

SUMMARY:

Natividad recommends a single revision to the standard "Employment Agreement (Hospital Physician)" for Unit U physician employees at Natividad and the standard "Public Health Emergency Temporary Employment Agreement (Physician)" for employed emergency temporary physicians at Natividad, as indicated in Attachment A, to provide that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing coverage equal to or greater than that provided by the expired/terminated continuous coverage.

DISCUSSION:

On August 31, 1999, the Board of Supervisors approved an Employee Agreement (Physician) template to be used by the Monterey County Health Department and Natividad Medical Center for the employment of physicians. Each proposed agreement with an individual physician required Board approval.

In March 2007, the Board of Supervisors authorized revisions to the Employee Agreement (Physician) template and, to expedite the contracting process, authorized the Director of Health and Natividad Chief Executive Officer to execute the revised template without requiring individualized Board approval, so long as the salary was within the approved salary range for the position and the costs of salary and benefits were within the department's approved fiscal year budget.

On June 23, 2020, in an effort to remain competitive and continue to recruit, retain and appropriately compensate employed physicians in Unit U, Natividad sought and obtained Board approval for further revisions to the Employee Agreement (Physician) template, clarifying benefits provided and addressing specific responsibilities of Natividad-based physicians. Natividad simultaneously obtained approval for a second template entitled, "Public Health Emergency Temporary Employment Agreement (Physician)" to allow Natividad to secure the necessary resources needed to maintain the health and safety of the public, patients and staff as a result of a national, state, or local emergency, such as the current COVID-19 pandemic.

Natividad now seeks approval of a revision to Professional Liability Insurance Benefit in the Employee Agreement (Hospital-Physician) and Public Health Emergency Temporary Employment Agreement (Physician) templates, to provide that if the current underlying insurance agreement between the County and its insurance carrier expires or terminates, continuous coverage will expire or terminate and the County shall obtain and maintain, at its expense, extended reporting period coverage and/or prior acts coverage, providing coverage

equal to or greater than that provided by the expired/terminated continuous coverage.

When physicians join Natividad and the County as employees, they are rostered as additional insureds to the County's contract with its insurance carrier contract. When they depart the County, the physicians are rolled over from that roster to another roster for continuous coverage for departed providers. The County has maintained continuous coverage under its contract with its insurance carrier for departed physicians for many years. With continuous coverage in place, it is unnecessary for physicians who leave employment at the County to buy extended reporting period coverage ("tail coverage") and/or prior acts coverage ("nose coverage").

In an effort to recruit and retain employed physicians, and to remain competitive with other area health care facilities, the Director of Health and the Interim CEO for Natividad wish to agree to obtain and maintain tail coverage or nose coverage should the County terminate its contract with its existing insurance carrier. This agreement, to be reflected in the Unit U employment agreement templates, would be consistent with what other healthcare employers typically offer their employees. If the proposed revision regarding extended coverage is approved, Natividad will begin utilizing the revised templates for all new and renewed employment agreements beginning January 1, 2022.

OTHER AGENCY INVOLVEMENT:

The recommendations and agreement templates mentioned above were reviewed and approved by County Counsel.

FINANCING:

This action does not result in any financial impact at this time, since the County has an agreement with its insurance carrier providing for continuous coverage.

This action has no impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Economic Development

Administration

Health & Human Services: Improve health and provide consistent, high-quality patient care in order to promote access to equitable services for all patients in the community.

Infrastructure

Public Safety

Prepared by: Carrie L. Ramirez, Senior Personnel Analyst, (831) 783-2706

Approved by: Charles R. Harris, M.D., Interim Hospital Chief Executive Officer, (831) 783-2553

Attachments: Attachment A

Employee Agreement (Hospital-Physician)

Public Health Emergency Temporary Employment Agreement (Physician)

Resolution