



## Board Report

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**File #: A 22-277, Version: 1**

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- a. Authorize the Chief Executive Officer of Natividad Medical Center (NMC) or his designee authority to execute agreements and/or contract amendments with government, commercial, and private payers of healthcare services for an additional five years through June 30, 2027, for the purpose of adding NMC as an in-network provider of healthcare services for both hospital and professional services and for establishing reimbursement methodologies used in healthcare payments, subject to County Counsel and Auditor-Controller approval.
- b. Approve the NMC Chief Executive Officer's recommendation to accept non-standard risk provisions within the agreements/amendments.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

- a. Authorize the Chief Executive Officer of Natividad Medical Center (NMC) or his designee authority to execute agreements and/or contract amendments with government, commercial, and private payers of healthcare services, for an additional five years through June 30, 2027, for the purpose of adding NMC as an in-network provider of healthcare services for both hospital and professional services and for establishing reimbursement methodologies used in healthcare payments, subject to County Counsel and Auditor-Controller approval.
- b. Approve the NMC Chief Executive Officer's recommendation to accept non-standard risk provisions within the agreements/amendments.

### **SUMMARY/DISCUSSION:**

The Board of Supervisors previously approved an authorization request from NMC to execute payer agreements/amendments for commercial plans from December 2017 to June 30, 2022 (A-13832). The Board of Supervisors also previously approved an authorization request to execute agreements/amendments for government payers from February 2019 through June 30, 2024 (A-14239). This current authorization request will enable NMC to continue to execute new agreements or extend existing agreements with commercial and government payers through June 30, 2027.

The County of Monterey, on behalf of Natividad Medical Center (NMC), has contracts with over 20 commercial/private payers such as Anthem Blue Cross, Blue Shield, Aetna, Cigna, and Kaiser. In addition, NMC has contracts with government payers, including Santa Clara County, Santa Cruz County and Central California Alliance for Health. Some of the payer agreements have been in place for over 20 years.

The purpose of a payer agreement is to allow NMC to be an in-network provider to provide inpatient and outpatient services to commercial/government/private members and/or enrollees. As laws, regulations, and employers change, insurance plans/government entities often must have agreements/amendments in place quickly. For employers and government entities, in-network provider agreements must be in place before open enrollment periods. Timely execution of these agreements is therefore necessary.

NMC will continue as currently to work with County Counsel and County-Auditor to receive approval prior to finalizing an agreement/amendment.

**OTHER AGENCY INVOLVEMENT:**

County Counsel and the County Auditor-Controller have reviewed this request. This request has also been reviewed and approved by NMC's Finance Committee and by the NMC Board of Trustees on May 13, 2022.

**FINANCING:**

There are no costs associated with these agreements.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This authority provides timely mutual beneficial terms and conditions related to the provision of health care services for patients in the community.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

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Approved by: Dr. Charles R. Harris, Chief Executive Officer, 783-2504

Attachments: None