



County of Monterey

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

Board Report

File #: A 13-045, **Version:** 1

- a. Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement Laurel J. Grimm M.D. to provide Hospitalist Services at NMC, extending the term of the Agreement to June 30, 2014 for a total amount not to exceed \$200,000 in the aggregate (for the period October 1, 2012 to June 30, 2014).
- b. Authorize the Purchasing Manager for NMC to execute 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 the Purchasing Manager for Natividad Medical Center (NMC) to execute the First Amendment to Professional Medical Services Agreement Laurel J. Grimm M.D. to provide Hospitalist Services at NMC, extending the term of the Agreement to June 30, 2014 for a total amount not to exceed \$200,000 in the aggregate (for the period October 1, 2012 to June 30, 2014).
- b) Authorize the Purchasing Manager for NMC to execute 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 operates two medical surgical units (35 beds) and one intensive care unit (10 beds) that provide 24 hours, 7 days a week direct patient care to acutely ill hospitalized patients. In order to efficiently staff these units and 24/7 patient care, it requires a total of six full time equivalent (FTE) hospitalists and critical care providers made up of full-time employee and part-time independent contractor physicians.

On October 1, 2012, NMC entered into an agreement in the amount of \$100,000 with Dr. Grimm to provide hospitalist services as needed on the medical surgical unit. The maximum liability was nearly reached in the first six months of the agreement due to an unanticipated absence of another hospitalist and we needed Dr. Grimm to cover the service. NMC wishes to enter into a First Amendment, effective May 1, 2013, to increase the maximum liability of the agreement in order to continue utilize Dr. Grimm's services without interruption. The quantity of services may increase due to patient volume and need for coverage, but will not increase the rate of pay or exceed the maximum liability of this agreement. 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 Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment/Agreement is \$200,000 for the period October 1, 2012 to June 30, 2014. \$120,000 is included in the Fiscal Year 2012/2013 Adopted Budget; \$60,000 is included the Fiscal Year 2012/2014 Recommended Budget; and the remaining \$20,000 will be budgeted in subsequent fiscal years. 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

Originals on File at the Clerk of the Board