



# County of Monterey

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

## Legislation Details (With Board Report)

<b>File #:</b>	20-485	<b>Name:</b>	Hospital Physician Employment Agreements
<b>Type:</b>	General Agenda Item	<b>Status:</b>	Passed - Natividad Medical Center
<b>File created:</b>	6/2/2020	<b>In control:</b>	Board of Supervisors
<b>On agenda:</b>	6/23/2020	<b>Final action:</b>	6/23/2020
<b>Title:</b>	<p>a. Approve changes to the standard Employment Agreement for Natividad Unit U physician employees as indicated in Attachment A - Summary of Revisions to Standard Employment Agreement (Hospital Physician) for Natividad Unit U physicians;</p> <p>b. Approve the benefits set forth herein for employed physicians in Unit U at Natividad;</p> <p>c. Approve the terms and format of the attached "Employment Agreement (Hospital Physician)" as the standard agreement to be used for Natividad Unit U physicians;</p> <p>d. Approve the terms and format of the attached "Public Health Emergency Temporary Employment Agreement (Physician)" as the standard agreement to be used for employed emergency temporary physicians at Natividad;</p> <p>e. Authorize updates to the agreement templates in accordance with local, federal, and/or state law, subject to review and approval by County Counsel;</p> <p>f. 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;</p> <p>g. 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, including the benefits set forth herein as applicable, 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; and</p> <p>h. Direct the Human Resources Department to implement applicable changes in the Advantage system.</p>		

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**Attachments:** 1. Board Report, 2. Attachment A - Summary of Revisions, 3. Hospital Physician Empt Agrmt Template, 4. Emerg Temp Physician Empt Agrmt Template, 5. Item No. 22 Completed Board Order

Date	Ver.	Action By	Action	Result
6/23/2020	2	Board of Supervisors		

- a. Approve changes to the standard Employment Agreement for Natividad Unit U physician employees as indicated in Attachment A - Summary of Revisions to Standard Employment Agreement (Hospital Physician) for Natividad Unit U physicians;
- b. Approve the benefits set forth herein for employed physicians in Unit U at Natividad;
- c. Approve the terms and format of the attached "Employment Agreement (Hospital Physician)" as the standard agreement to be used for Natividad Unit U physicians;
- d. Approve the terms and format of the attached "Public Health Emergency Temporary Employment Agreement (Physician)" as the standard agreement to be used for employed emergency temporary physicians at Natividad;
- e. Authorize updates to the agreement templates in accordance with local, federal, and/or state law, subject to review and approval by County Counsel;
- f. 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;

g. 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, including the benefits set forth herein as applicable, 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; and

h. Direct the Human Resources Department to implement applicable changes in the Advantage system.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a) Approve changes to the standard Employment Agreement for Natividad Unit U physician employees as indicated in Attachment A - Summary of Revisions to Standard Employment Agreement (Hospital Physician) for Natividad Unit U physicians;
- b) Approve the benefits set forth herein for employed physicians in Unit U at Natividad;
- c) Approve the terms and format of the attached "Employment Agreement (Hospital Physician)" as the standard agreement to be used for Natividad Unit U physicians;
- d) Approve the terms and format of the attached "Public Health Emergency Temporary Employment Agreement (Physician)" as the standard agreement to be used for employed emergency temporary physicians at Natividad;
- e) Authorize updates to the agreement templates in accordance with local, federal, and/or state law, subject to review and approval by County Counsel;
- f) 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;
- g) 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, including the benefits set forth herein as applicable, 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; and
- h) Direct the Human Resources Department to implement applicable changes in the Advantage system.

**SUMMARY:**

Natividad recommends revisions to the standard Employment Agreement (Hospital Physician) template for Unit U physicians, as indicated in Attachment A - Summary of Revisions to Standard Employment Agreement (Natividad Physician) for employed physicians in Unit U at Natividad, in an effort to recruit and retain employed physicians, and to remain competitive with other area health care facilities. In addition, Natividad recommends the creation of a "Public Health Emergency Temporary Employment Agreement (Physician)" to allow Natividad to secure the necessary resources needed to fulfill its duty to provide critical health care services relating directly to a national, state or local emergency.

**DISCUSSION:**

The Hospital Chief Executive Officer received authorization from the Board of Supervisors in March 2007 to execute agreements for Unit U physicians without individualized Board of Supervisors approval. This authority was given by use of a Board-approved standard agreement format and benefits set forth therein, 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. This action was taken in order to expedite the contracting process. Natividad continues to employ Unit U physicians in all specialties under this standard Employment Agreement, which has not been revised since 2007. There will be no change to the method currently used by Natividad to determine a physician's salary, which is based on a third-party Fair Market Value

(FMV) compensation analysis by physician specialty.

In an effort to remain competitive and continue to recruit, retain and appropriately compensate employed physicians in Unit U, Natividad recommends revisions to the terms and format of the standard Employment Agreement template for Unit U physicians, as indicated in Attachment A - Summary of Revisions to Standard Employment Agreement (Hospital Physician). These revisions include better defined and clarified benefits paid or made available to Unit U physicians under the Employment Agreement. Both Natividad and the Health Department employ Unit U physicians; however, they have their own standard Employment Agreements, as there are differences between the work of a hospital-based physician and a physician working in the Health Department clinics. Each physician agreement includes an individualized Scope of Services (Exhibit B) which details the employed physician's primary responsibilities and makes clear a differentiation between duties included within the Total Compensation and those duties to which Special Assignment Pay is due, pursuant to the Personnel Policies and Practices Resolution (PPPR) Section A.12. Any changes to Special Assignment Pay provisions in the PPPR must be approved by the Board of Supervisors.

In addition to the above, Natividad recommends the creation of a second template titled, "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 that are directly related to a national, state, or local emergency, for the purpose of assisting the County in responding to the crisis (e.g., COVID-19). This agreement would be executed by the Hospital Chief Executive Officer in response to a specified emergency and would remain in effect only until such emergency, and any relevant state, local or regional emergency, has been lifted. Under this agreement, contract parties would be responsible to monitor all activities and terms on a regular basis to ensure that they are meeting the objectives of the organization in response to the crisis, and that they are both necessary and effective.

OTHER AGENCY INVOLVEMENT:

The recommendations and agreement templates mentioned above were reviewed the Monterey County Human Resources Department and County Counsel (with input from outside counsel).

FINANCING:

This action does not result in any financial impact, since the recommended levels of salaries and benefits are included in the Natividad Medical Center Budget for Fiscal Year 2020-2021.

This action has no impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Natividad's ability to recruit and retain highly qualified physicians is necessary in order for the hospital to fulfill its duty to provide critical health care services to the community.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development  
☐ Administration  
☒ Health & Human Services

☐ Infrastructure  
☐ Public Safety

Prepared by: Janine Bouyea, NMC Human Resources Administrator (831) 783-2701

Approved by: Gary R. Gray, Hospital Chief Executive Officer (831) 783-2553

Attachments:

Board Report

Attachment A

Employment Agreement (Hospital Physician)

Public Health Emergency Temporary Employment Agreement (Physician)