



Board Report

File #: A 15-265, **Version:** 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Sound Inpatient Physicians Medical Group Inc. to provide hospitalist services at NMC for an amount not to exceed \$6,923,724, which Agreement shall become effective August 1, 2015 and implemented with services provided on a date mutually agreed upon by the parties but no later than November 4, 2015 (the "Go Live Date"), and which Agreement shall continue for a period of thirty-six (36) months from the Go Live Date, but no later than November 3, 2018; and
- b. Authorize the Deputy Purchasing Agent 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 the Deputy Purchasing Agent for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Sound Inpatient Physicians Medical Group Inc. to provide hospitalist services at NMC for an amount not to exceed \$6,923,724, which Agreement shall become effective August 1, 2015 and implemented with services provided on a date mutually agreed upon by the parties but no later than November 4, 2015 (the "Go Live Date"), and which Agreement shall continue for a period of thirty-six (36) months from the Go Live Date, but no later than November 3, 2018; and
- b. Authorize the Deputy Purchasing Agent 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 operates medical surgical units that provide direct patient care to hospitalized patients 24 hours a day, 7 days a week. It requires a team of internal medicine and family medicine physicians, known as hospitalists to efficiently staff these units and provide 24/7 patient care. NMC would like to enter into a Professional Services Agreement with Sound Inpatient Physicians Medical Group Inc. (Sound) to provide comprehensive hospitalist physician and hospitalist management services.

Sound is an established national professional corporation that will arrange for at least 6.0 full time equivalent (FTE) hospitalist physicians, including a Chief Hospitalist physician, and 1.0 FTE Hospitalist Registered Nurse (HRN) to provide services at NMC under the Agreement. The Agreement allows Sound to increase physician services by up to 1.0 FTE to meet the needs of increased patient volume with prior written approval by NMC. Management services include efficient staffing of the units and oversight of the hospitalist program through Sound's practice management to ensure quality patient care.

The effective date of this Agreement is August 1, 2015 with compensation commencing on the go-live date, a date to be determined by NMC and Contractor no later than November 4, 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 Amendment was not reviewed by NMC's Finance Committee; it has been reviewed and approved by its Board of Trustees on July 10, 2015.

FINANCING:

The total not to exceed amount of this Agreement is \$6,923,723 for the period August 1, 2015 to October 31, 2018. The annual cost of this Agreement is \$2,047,908, which may increase up to \$2,307,908 if there is a need for additional services based on increased patient volume. \$1,365,272 is included in the Fiscal Year 2015/2016 Adopted Budget. There is no impact to the General Fund.

Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Gary Gray D.O., Interim Chief Executive Officer, 783.2553

Attachments:

Agreement

Attachments on file at the Clerk of the Board