



Board Report

File #: A 17-266, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Third Amendment to the Professional and Call Coverage Services Agreement (A-11849) with Central Coast Nephrology to provide nephrology services, extending the term by thirty-six (36) months (July 1, 2017 to June 30, 2020) for a revised total agreement term September 1, 2011 to June 30, 2020, and adding \$601,000 for a revised total agreement amount not to exceed \$1,551,000 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not extend the term by more than twelve (12) months, do not significantly change the scope of work, and do not cause an increase of more than ten percent 10% (\$25,000) of the original contract amount per each amendment.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Third Amendment to the Professional and Call Coverage Services Agreement (A-11849) with Central Coast Nephrology to provide nephrology services, extending the term by thirty-six (36) months (July 1, 2017 to June 30, 2020) for a revised total agreement term September 1, 2011 to June 30, 2020, and adding \$601,000 for a revised total agreement amount not to exceed \$1,551,000 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not extend the term by more than twelve (12) months, do not significantly change the scope of work, and do not cause an increase of more than ten percent 10% (\$25,000) of the original contract amount per each amendment.

SUMMARY/DISCUSSION:

NMC must arrange for care and treatment of patients who present to the emergency department or hospital clinics in need of medical care in the specialty of nephrology. NMC has an agreement with Central Coast Nephrology, for which board certified nephrologists provide, 24/7 emergency department call coverage, at least two half days of clinic per week in the outpatient specialty clinic and medical director services. NMC wishes to amend the agreement to extend the term by thirty-six months so that Central Coast Nephrology can continue to provide nephrology services without interruption.

Central Coast Nephrology is paid according to the terms of the agreement for emergency department call coverage, clinic services and medical director services. Although the amount of services provided may increase due to patient volume, the rate of pay for services remains the same. 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 has also been reviewed and approved by Natividad Medical Center's Finance Committee on May 25, 2017 and Board of Trustees on June 2, 2017.

FINANCING:

The cost of this Amendment is \$601,000. The total not to exceed amount for this Agreement is \$1,551,000 for the period September 1, 2011 to June 30, 2020. \$115,017 was disbursed in Fiscal Year 2011/2012 (10 months); \$132,692 was disbursed in Fiscal Year 2012/2013; \$123,930 was disbursed in Fiscal Year 2013/2014; \$154,908 was disbursed in Fiscal Year 2014/2015; \$160,260 was disbursed in Fiscal Year 2015/2016; and \$110,500 has been disbursed in Fiscal Year 2016/2017 (8 months). \$200,000 is included in the Fiscal Year 2017/2018 Recommended Budget. The remaining amount will be budgeted in subsequent fiscal years. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services rendered in this agreement provide NMC with the additional support it needs in order to provide reliable and high quality patient care which improves the health and quality of life for patients and their families.

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

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

Attachments: Agreement; First-Third Amendments

Attachments on File at the Clerk of the Board