



Board Report

File #: A 17-386, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Second Amendment to the Professional and Call Coverage Services Agreement (A-12752) with Monterey Spine and Joint PC, a California professional corporation to provide neurosurgery services, extending the term by twelve (12) months (October 1, 2017 to September 30, 2018) for a revised full agreement term of October 1, 2014 to September 30, 2018 and adding \$600,000 for a revised amount not to exceed \$2,350,000 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC to sign up to three (3) future amendments to this agreement where the total amendments do not exceed 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% (\$125,000) 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 Second Amendment to the Professional and Call Coverage Services Agreement (A-12752) with Monterey Spine and Joint PC, a California professional corporation to provide neurosurgery services, extending the term by twelve (12) months (October 1, 2017 to September 30, 2018) for a revised full agreement term of October 1, 2014 to September 30, 2018 and adding \$600,000 for a revised amount not to exceed \$2,350,000 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC to sign up to three (3) future amendments to this agreement where the total amendments do not exceed 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% (\$125,000) of the original contract amount per each amendment.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) received its designation as the Level II Trauma Center for Monterey County in January 2015. The American College of Surgeons requires neurosurgeons provide dedicated call coverage with a 30 minute response time for Level II Trauma Centers. In order to provide 24/7 care, it is necessary to develop and sustain a core team of quality neurosurgeons made up of employed and independent contract physicians to provide daily call coverage in the Emergency Department and follow-up care to patients in the Intensive Care Unit and Specialty Clinic.

NMC has an agreement with Monterey Spine and Joint, for which board certified neurosurgeons, from Monterey County provide neurosurgery services at NMC as part of the comprehensive trauma services required for the Level II Trauma Center activation. Partnering with local providers ensures swift access to quality neurosurgeons. NMC wishes to amend the agreement to extend the term an additional 36 months and to add to the amount payable for services provided during the extended term so that the group can continue to provide services without interruption. Monterey Spine and Joint is daily rate for Coverage Services and an hourly rate for Clinic and Director Services. 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 August 24, 2017 and Board of Trustees on September 8, 2017.

FINANCING:

The cost for this Amendment is \$600,000. The total not to exceed amount of this Agreement is \$2,350,000 for the period October 1, 2014 to September 30, 2018. The actual cost is contingent upon the group's level of participation, in the call panel which may fluctuate based on availability. \$382,892 was disbursed in Fiscal Year 2014/2015; \$603,506 was disbursed in Fiscal Year 2015/2016; and \$585,610 was disbursed in Fiscal Year 2016/2017. NMC has agreements with multiple providers to ensure sufficient coverage of this service for which the total expenditure will not exceed \$1,300,000 annually and is included in the Fiscal Year 2017/2018 Adopted Budget. 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-Second Amendment