



County of Monterey

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

Board Report

File #: A 17-444, Version: 1

Authorize the Chief Executive Officer of Natividad Medical Center (“NMC”) until June 30, 2022 to execute agreements/amendments with commercial/private payers, including agreements/amendments containing non-standard risk provisions, for the purpose of adding NMC as an in-network provider of healthcare services for both hospital and professional services and for establishing reimbursement methodologies used in healthcare payments, subject to County Counsel and Auditor-Controller approval.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer of Natividad Medical Center (“NMC”) until June 30, 2022 to execute agreements/amendments with commercial/private payers, including agreements/amendments containing non-standard risk provisions, for the purpose of adding NMC as an in-network provider of healthcare services for both hospital and professional services and for establishing reimbursement methodologies used in healthcare payments, subject to County Counsel and Auditor-Controller approval.

SUMMARY/DISCUSSION:

The County of Monterey, on behalf of Natividad Medical Center (“NMC”), has contracts with over 20 commercial/private payers, such as Anthem Blue Cross, Blue Shield, Aetna, CIGNA and Central California Alliance for Health. Some of the payer agreements have been in place for over 20 years.

The purpose of a payer agreement is to permit NMC as an in-network provider to provide inpatient and outpatient services to the Plan’s members. Insurance plans are also interested in establishing a new agreement with hospitals and providers if they lack one. As employers in the community change the insurance plans available to their employees, the plans in turn request modifications to their existing agreements with hospitals and providers.

In many situations, an employee health plan would want to have an agreement in place in a very short timeframe in order to provide the appropriate network of hospitals and physicians for an employer. Having the network in place is important for an employer’s open enrollment period to their employees for the purpose of health benefits coverage.

Agreements have standard provisions such as authorizations, documentation, covered services, confidentiality, indemnity, termination and rates. NMC will continue as currently to work with County Counsel, County-Auditor, and Budget Office to receive approval prior to finalizing an agreement.

NMC seeks limited Board approval to execute payer agreements through June 30, 2022. NMC will be required to return to the Board for approval to execute payer agreements with an effective date of July 1, 2022 or after.

OTHER AGENCY INVOLVEMENT:

County Counsel and the County Auditor-Controller have reviewed this request. The request has also been reviewed and approved by NMC’s Finance Committee on October 26, 2017 and by the NMC Board of Trustees on November 3, 2017.

FINANCING:

There is no impact to the General Fund. There are no costs associated with this Agreement.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This authority provides timely mutual beneficial terms and conditions related to the provision of health care services for patients in the community.

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

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