



County of Monterey

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

Board Report

File #: A 21-402, **Version:** 1

- a. Authorize the County Counsel to execute a Renewal and Amendment No. 7 to the Services Agreement ("Agreement") with Latham & Watkins LLP, for the provision of healthcare legal services at Natividad Medical Center, adding 1 year, for a revised full term from May 10, 2010 through June 30, 2022, with no change to the total agreement amount of \$1,510,000; and
- b. Accept the non-standard removal of indemnification provision, as recommended by the Interim Chief Executive Officer.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the County Counsel to execute an Renewal and Amendment No. 7 to the Services Agreement ("Agreement") with Latham & Watkins LLP, for the provision of healthcare legal services at Natividad Medical Center, adding 1 year, for a revised full term from May 10, 2010 through June 30, 2022, with no change to the total agreement amount of \$1,510,000; and
- b. Accept the non-standard removal of indemnification provision, as recommended by the Interim Chief Executive Officer.

SUMMARY/DISCUSSION:

Latham & Watkins LLP is one of the pre-eminent law firms representing healthcare systems and local community hospitals throughout the United States. Their healthcare attorneys have specific experience with the nuanced regulations that govern the healthcare industries, including those related to fraud and abuse, Medicare/Medicaid reimbursement, healthcare regulatory requirements, financing regulation, and licensing.

For 11 years, Latham's legal experts in physician compensation have applied their extensive industry expertise to best serve Natividad's business needs, while providing Natividad consistent, practical, and reliable guidance on the risks associated with physician compensation arrangements. Latham's legal advice and consultation have helped Natividad ensure that its compensation arrangements do not unfairly drive referrals from healthcare providers to Natividad.

Latham has requested removal of the parties' contractual indemnification provision. The Interim CEO recommends that the Board accept the removal of the indemnification provision from the parties' agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this renewal and amendment as to legal form. Auditor-Controller has reviewed and approved this amendment as to financial provisions. A 3-year amendment in the same not to exceed amount was reviewed and approved for forwarding to the Board of Supervisors by the Natividad

Finance Committee and Natividad Board of Trustees on May 14, 2021.

FINANCING:

There is no additional cost associated with this amendment. There is no impact to the General Fund.

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561

Approved by: Charles R. Harris, M.D., Interim Chief Executive Officer, 783-2504

Attachments:

Original Services Agreement through Amendment No. 5 with Latham & Watkin, LLP

Amendment No. 6 to the Services Agreement with Latham & Watkins, LLP

Renewal and Amendment No. 7 to the Services Agreement with Latham & Watkins, LLP

Attachments on file with the Clerk of the Board