



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: A 26-142

May 12, 2026

**Introduced:** 4/21/2026

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a nonstandard Master Agreement and Physician Advisor Services Agreement with OptumInsight, Inc., for secondary physician review services for inpatient and observation stays at NMC for a maximum County obligation of \$300,000 for the term of three years from the Physicians Go Live Date.
- b. Authorize the Chief Executive Officer for Natividad Medical Center or a designee to execute up to three (3) future amendments that do not exceed 10% (\$30,000) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$390,000.
- c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a nonstandard Master Agreement and Physician Advisor Services Agreement with OptumInsight, Inc., for secondary physician review services for inpatient and observation stays at NMC for a maximum County obligation of \$300,000 for the term of three years from the Physicians Go Live Date.
- b. Authorize the Chief Executive Officer for Natividad Medical Center or a designee to execute up to three (3) future amendments that do not exceed 10% (\$30,000) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$390,000.
- c. Approve the NMC's Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement.

### **SUMMARY:**

Optum services will provide secondary physician review for inpatient and observation stays. This function plays a critical role in the utilization review process by offering an independent,

evidence-based assessment of medical necessity and level of care. The secondary review ensures that clinical decisions align with regulatory and payer requirements, supports appropriate resource utilization, and helps prevent potential denials. Through this collaborative process, Optum physician reviewers work closely with case management and treating providers to validate or clarify admission status determinations, ultimately promoting quality care and compliance with reimbursement guidelines.

**DISCUSSION**

Optum services are necessary to maintain the TAR-free process that Natividad participates in. By utilizing Optum for secondary physician review, the hospital meets the requirements established under the TAR-free agreement, ensuring continued eligibility for streamlined utilization review and claims processing. This partnership supports compliance with state and federal Conditions of Participation by providing objective medical necessity reviews, proper documentation, and oversight of inpatient and observation admissions. Maintaining adherence to these processes helps Natividad avoid administrative delays, reduce denial risk, and uphold regulatory standards while ensuring patients receive appropriate and timely care.

**OTHER AGENCY INVOLVEMENT:**

The Office of County Counsel has reviewed and approved this nonstandard agreement as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The nonstandard agreement has also been reviewed and approved by NMC’s Finance Committee and by its Board of Trustees on November 14, 2025.

**FINANCING:**

The cost for this nonstandard agreement is \$300,000 of which \$ 100,000 /which is included in the FY 2025-26 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact on the General Fund with this action.

**BOARD OF SUPERVISORS STRATEGIC PLAN GOALS SECTION:**

This partnership supports the initiative by promoting efficient, compliant care delivery that strengthens healthcare quality, accountability, and access for the community.

- Well-Being and Quality of Life
- Sustainable Infrastructure for Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Administrative

Prepared by: Karen Friedrich, Director of Case Management, 831-783-2556

Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachment(s):

Board Report

OptumInsight, Inc. Physician Advisor Services Agreement

OptumInsight, Inc. Master Service Agreement

Attachments on file with the Clerk of the Board