

*Setting the Standard in Health Care Excellence*

June 4, 2024

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, California 93009

**Subject: Approval of, and Authorization for the Health Care Agency Director or Designee to Sign, the Third Amendment to the Agreement with Ventura County Hospitalists, Inc., for Medical Director, Attending Physicians, Hospitalist and Critical Care Services, Extending the Term of the Contract Through December 31, 2024, and Increasing the Not-to-Exceed Amount by \$2,882,466 from \$5,764,933 to \$8,647,399, Effective July 1, 2024.**

**Recommendation:**

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the third amendment to the agreement with Ventura County Hospitalists, Inc. (VC Hospitalists), for medical director, attending physicians, hospitalist and critical care services, extending the term of the contract through December 31, 2024, and increasing the not-to-exceed amount by \$2,882,466 from \$5,764,933 to \$8,647,399, effective July 1, 2024.

**Fiscal Impact:**

Mandatory: No  
Source of Funding: VCMC Operating Revenues/Collections  
Funding Match Required: None  
Impact on Other Departments: N/A

Summary of Annual Revenues and Costs Under this Amendment:

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$0	\$2,882,466
DIRECT COSTS:	\$0	\$2,882,466
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$

**Current Fiscal Year Budget:**

<b>Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300</b>				
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Projected Actual</b>	<b>Estimated Savings/(Deficit)</b>
Expenditures	\$673,790,899	\$721,214,436	\$676,277,276	\$44,937,160
Revenue	\$665,452,626	\$682,772,959	\$672,052,975	(\$10,719,984)
Operational Income/(Loss)	(\$8,338,273)	(\$38,441,477)	(\$4,224,301)	\$34,217,176

Sufficient revenue and appropriations are included in the FY 24-25 preliminary budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

**Table 1 below summarizes the net financial impacts of the VCMC contract:**

<b>Provider</b>	<b>Eff. Date</b>	<b>Current Contract Annual Maximum</b>	<b>Proposed Contract Annual Maximum</b>	<b>FY 24-25 Inc/&lt;Decr&gt;</b>
Ventura County Hospitalists, Inc	7/1/2024	\$0	\$2,882,466	\$2,882,467
<b>Total</b>				<b>\$2,882,467</b>

**Strategic Plan Priority:**

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

**Discussion:**

The proposed amendment presented to your Board is for VC Hospitalists. VC Hospitalists is managed by Dr. Joseph Esherick, who contracts through the corporation with multiple physicians to provide hospitalist services at both Ventura County Medical Center and Santa Paula Hospital (SPH) and critical care services at SPH.

The current agreement will expire on June 30, 2024. At this time, we are requesting approval for a six-month extension while negotiations for a new contract continue. We will return to your Board for approval of a new agreement once the negotiations have concluded. With your Board's approval, the agreement with VC Hospitalists shall remain in effect through December 31, 2024.

The portions of the amendment concerning compensation paid by HCA are exempt from disclosure under the Public Records Act (Health and Safety Code Section 1457 (c) (1)). If the Board would like further information regarding the rates, the original agreement is retained by Mike Taylor, HCA's Chief Financial Officer.

This letter has been reviewed by County Counsel, the Auditor-Controller's Office, and the County Executive Office. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



---

JOHN FANKHAUSER, M.D.  
Chief Executive Officer, County Hospitals



---

BARRY ZIMMERMAN  
Health Care Agency Director

**Exhibit:**

Exhibit 1 – Third Amendment to Agreement for Medical Director, Attending Physicians, Hospitalists and Critical Care Services with Ventura County Hospitalists, Inc.