

June 18, 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, Amendment No. 6 to the Management Services Agreement with Anacapa Surgical Group, Inc. for Operation of the Anacapa Clinic, Increasing the Monthly Rate Effective July 1, 2024, by 3.5% and Increasing the Total Contract Amount by \$129,928 Annually from \$7,850,040 to \$7,979,968, Effective July 1, 2024.

Recommendation:

Approval of, and authorization for the Health Care Agency (HCA) Director or designee to sign, Amendment No. 6 to the Management Services Agreement (MSA) with Anacapa Surgical Group, Inc. (Exhibit 1) for operation of the Anacapa Clinic, increasing the monthly rate effective July 1, 2024, by 3.5% and increasing the total contract amount by \$129,928 annually from \$7,850,040 to \$7,979,968, effective July 1, 2024.

FISCAL/MANDATES IMPACT:

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

<u>Fiscal Impact</u>	<u>FY2023-24</u>	<u>FY 2024-25</u>
REVENUE:	0	\$129,928
DIRECT COSTS:	0	\$129,928
INDIRECT COSTS:	-	-
NET REVENUE <COST>	-	-

FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
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 revenues and appropriations are included in the Fiscal Year 2024-25 budget.

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 maintain high-performing public safety services.

Discussion:

Anacapa Surgical Group, Inc. has been contracted as operator of the Anacapa Clinic since June 2013. The Anacapa Clinic is the only affiliated clinic that was not included as part of the Ambulatory Care Clinic Integration Project as it is a specialty care clinic with a different business model than the Federally Qualified Health Centers that were transitioned to County of Ventura operation on July 1, 2021.

If approved by your Board, effective July 1, 2024, the monthly service cost will be increased by 3.5% to account for increased operating costs of the clinic. The last general monthly service cost adjustment to compensate for increased operating costs was approved by your Board in January 2023. Since then, the costs associated with operating the clinic have continued to rise due to ongoing inflation and cost of living increases.

The portions of the agreement 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 the County Executive Office, County Counsel, and Auditor-Controller's Office. If you have any questions regarding this item, please contact Theresa Cho, M.D., Chief Executive Officer, Ambulatory Care, at 805-677-5223.



Theresa Cho, M.D.
Chief Executive Officer, Ambulatory Care



Barry L. Zimmerman
Health Care Agency Director

Exhibit:

Exhibit 1 – Amendment No. 6 to Management Services Agreement for the Operation of
Anacapa Clinic