

April 29, 2025

County of Ventura Board of Supervisors

Subject: Approval of, and Authorization for the Health Care Agency (HCA) Director or Purchasing Agent to Sign, Amendments to Two Agreements and Increase Two Purchase Documents with Various Providers for the Provision of Various Physician Services, Increasing the Combined Maximum Amount of the Agreements from \$9,812,547 to \$11,789,342 (a Combined Increase of \$1,976,795), for Fiscal Year 2024-25, and Increasing the Combined Maximum Amount of the Agreements from \$8,057,567 to \$9,936,261 (a Combined Increase of \$1,878,694), for Fiscal Year 2025-26, Effective April 29, 2025; Delegation of Authority to the HCA Director or Purchasing Agent to Make Limited Modifications and Extend the Term of the Agreements. (Levine Act Item).

Recommendations:

1. That your Board approve, and authorize the HCA Director or designee to increase the purchase document for James M. Herman, M.D., Inc. (Dr. Herman) by \$170,500 from \$1,555,081 to \$1,725,581 for the period of July 1, 2024, through June 30, 2025.
2. That your Board approve, and authorize the HCA Director or designee to increase the purchase document for Nathan Oh, M.D., Inc. (Dr. Oh) by \$184,000 from \$618,000 to \$802,000 for the period of July 1, 2024, through June 30, 2025, and by \$100,000 from \$618,000 to \$718,000 per fiscal year thereafter.
3. That your Board approve, and authorize the HCA Director or Purchasing Agent to sign, the second amendment to an agreement for anesthesiology services with Ventura County Anesthesia Medical Group, Inc. (VC Anesthesia) removing the contract not-to-exceed amount and increasing the purchase document by \$1,578,795 from \$7,439,567 to \$9,018,362, for the period of July 1, 2024, through June 30, 2025, and any fiscal year thereafter. (Exhibit 1).
4. That your Board approve, and authorize the HCA Director or Purchasing Agent to sign, the second amendment to an agreement for Medical Director, Professional and Community Education and Outreach and Medical Director, Utilization Review and Case Management with Cheryl Lambing, M.D. (Dr. Lambing) removing the contract not-to-exceed amount and increasing the purchase document by \$43,500 from \$199,899 to \$243,399, for the period of July 1, 2024, through June 30, 2025,

and extending the contract term through June 30, 2026 , in an amount of \$199,899 per fiscal year thereafter. (Exhibit 4).

5. Authorization for the HCA Director or Purchasing Agent to amend the agreements in recommendations 1- 4 to (a) allocate funds between different compensation categories within the not-to-exceed amount specified in the purchase document; (b) make budget modifications that do not increase the total amount of the purchase document; (c) and implement corrections, clarifications, business entity name changes (excluding Taxpayer ID Number changes), and technical adjustments to the agreement and purchase document, provided that these changes align with the original purpose of the agreements and do not incur additional costs to the County. All amendments are subject to review and approval by County Counsel.
6. Authorization for the HCA Director or Purchasing Agent to extend the term of the agreements by amendment, for up to two (2) additional periods of one (1) year each following the completion of the current agreement term, on the same or more favorable terms and conditions (with any changes in the Responsibilities of Contractor to be consistent with the original purpose of the agreements), and for up to a 15% increase per fiscal year (within the fair market value) of the not to exceed amount of the purchase document. All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

Fiscal Impact:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
Revenues	\$1,976,795	\$1,878,694
Costs	\$1,976,795	\$1,878,694
Net County Cost	\$0	\$0

Funding Source: VCMC Operating Revenues/Collections
Match Requirement: None

Table 1 below summarizes the net financial impacts for Fiscal Year 2024-25:

<u>Contains the requests for FY 2024-25 for Various Physician Services</u>				
Provider	Contract / Purchase Document	FY 2024-2025	FY 2024-2025	FY 2024-2025
		ENCUMBRANCE	INCREASE or <DECREASE>	TOTAL ENCUMBRANCE
James M. Herman, M.D, Inc.	PD 33002024072200000015	\$ 1,555,081	\$ 170,500	\$ 1,725,581
Nathan Oh, M.D., Inc.	PD 33002024072200000016	\$ 618,000	\$ 184,000	\$ 802,000
Ventura County Anesthesia Medical Group, Inc.	PD 33002024070100000001	\$ 7,439,567	\$ 1,578,795	\$ 9,018,362
Cheryl Lambing, M.D.	CT 3300FY2*0469	\$ 199,899	\$ 43,500	\$ 243,399
Total		\$9,812,547	\$1,976,795	\$11,789,342

Table 2 below summarizes the net financial impacts for Fiscal Year 2025-26:

Contains the requests for FY 2025-26 for Various Physician Services

Provider	Contract / Purchase Document	FY 2025-2026	FY 2025-2026	FY 2025-2026
		ENCUMBRANCE	INCREASE or <DECREASE>	TOTAL ENCUMBRANCE
Nathan Oh, M.D., Inc.	PD 33002024072200000016	\$ 618,000	\$ 100,000	\$ 718,000
Ventura County Anesthesia Medical Group, Inc.	PD 33002024070100000001	\$ 7,439,567	\$ 1,578,795	\$ 9,018,362
Cheryl Lambing, M.D.	CT 3300FY2*0469	\$ -	\$ 199,899	\$ 199,899
Total		\$8,057,567	\$1,878,694	\$9,936,261

Discussion:

Dr. Herman – The proposed increase before your Board is for James M. Herman, M.D., a provider of Neurology services. To ensure continued and uninterrupted payment for Dr. Herman's services, we are requesting a \$170,500 increase to the purchase document's not-to-exceed amount for the period of July 1, 2024, through June 30, 2025. This increase is necessary due to sustained high productivity levels within the Neurology department and will be offset by revenue.

Dr. Oh – The proposed increase before your Board is for Nathan Oh, M.D., a provider of Neurology services. To ensure continued and uninterrupted payment for Dr. Oh's services, we are requesting a \$184,000 increase to the purchase document's not-to-exceed amount for the period of July 1, 2024, through June 30, 2025. This increase is necessary due to sustained high productivity levels within the Neurology department and will be offset by revenue. Additionally, due to anticipated high productivity levels, we propose an annual increase of \$100,000 per fiscal year thereafter.

VC Anesthesia – The proposed amendment before your Board is for Ventura County Anesthesia Medical Group, Inc. (VC Anesthesia) to support the continued provision of anesthesiology services. To ensure uninterrupted payment for these services, we are requesting an increase of \$1,578,795 to the purchase document's not-to-exceed amount for the period of July 1, 2024, through June 30, 2025, and any fiscal year thereafter. On July 23, 2024, your Board approved the first amendment to the agreement with VC Anesthesia, which included an increase to the American Society of Anesthesiologists (ASA) unit compensation rates to reflect current fair market value. As a result of this rate adjustment, the contract maximum is nearing its limit. The requested increase is necessary to support services through the end of the fiscal year.

Dr. Lambing – The proposed amendment before your Board is for Cheryl Lambing, M.D. for Medical Director, Professional and Community Education and Outreach and Medical Director, Utilization Review and Case Management. To ensure continued and uninterrupted payment for Dr. Lambing's services, we are requesting a \$43,500 increase to the purchase document's not-to-exceed amount for the period of July 1, 2024, through June 30, 2025. This cost will be offset by decreasing the current contract we hold with Dr. Catherine Sanders for utilization management services. The agreement with Dr. Lambing did not require Board approval. For reference, Exhibits 2 and 3 provide her current agreement and the first amendment.

With your Board's approval of the amendment, the agreement with Dr. Lambing shall remain in effect through June 30, 2026. Then, unless either party gives notice of its intent not to renew at least 90 days prior to the renewal date, and subject to the receipt of all necessary budgetary approvals by your Board, the agreement shall then be extended for up to two additional periods of one year each.

The portions of the agreement and amendments concerning compensation paid by the Healthcare Agency 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 documents are retained by Mike Taylor, HCA's Chief Financial Officer.

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.

This letter has been reviewed by the 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, MD, MHA
Chief Executive Officer, County Hospitals



Theresa Cho, MD, MHA
Health Care Agency Director

Attachments:

Exhibit 1 – Second Amendment to Agreement for Anesthesia Physician Services with Ventura County Anesthesia Medical Group, Inc.

Exhibit 2 – Agreement for Medical Director, Professional and Community Education and Outreach and Medical Director, Utilization Review and Case Management with Cheryl Lambing, M.D.

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Exhibit 3 – First Amendment to Agreement for Medical Director, Professional and Community Education and Outreach and Medical Director, Utilization Review and Case Management with Cheryl Lambing, M.D.

Exhibit 4 – Second Amendment to Agreement for Medical Director, Professional and Community Education and Outreach and Medical Director, Utilization Review and Case Management with Cheryl Lambing, M.D.