

Setting the Standard in Health Care Excellence

July 25, 2023

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, on behalf of the Ventura County Health Care Plan, the Third Amendment to the Hospital Services Agreement with Dignity Health, d/b/a St. John's Regional Medical Center and St. John's Hospital Camarillo, Extending the Agreement Through August 31, 2026 and Adding a New Compensation for Services Exhibit, Effective September 1, 2023.

RECOMMENDATION:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, on behalf of the Ventura County Health Care Plan (VCHCP), the Third Amendment to the Hospital Services Agreement with Dignity Health, d/b/a, St. John's Regional Medical Center and St. John's Hospital Camarillo (Dignity Health), which extends the agreement through August 31, 2026 and adds a new compensation for services exhibit, effective September 1, 2023.

FISCAL IMPACT:

Mandatory: Yes
Authority: VCHCP Operational Performance
Funding Match Required: None
Impact on other Departments: None

Summary of Revenues and Costs:	FY 2023-24	FY 2024-25
Revenues:	\$0	\$0
Costs:		
Direct	\$4,500,000	\$4,500,000
Indirect-Dept	\$0	\$0
Indirect-County CAP	\$0	\$0
Total Cost	<u>\$4,500,000</u>	<u>\$4,500,000</u>
Net County Cost	\$4,500,000	\$4,500,000

Recovered Indirect Costs \$0 \$0

The revenue and appropriations needed for this agreement are included in the FY24 adopted budget of VCHCP.

CURRENT FISCAL YEAR BUDGET TABLE

Current FY 2023-24 Adopted for Ventura County Health Care Plan Fund E-510 Division 3390				
	Adopted Budget	Adjusted Budget	Estimate to Year-End	Estimated (Savings/Deficit)
Expenditures	\$ 83,981,956	\$ 83,981,956	\$ 83,981,956	\$ 0
Revenue	\$ 84,170,439	\$ 84,170,439	\$ 84,170,439	\$ 0
Operational Income/(Loss)	\$ 188,483	\$ 188,483	\$ 188,483	\$ 0

*Includes interest and fixed assets

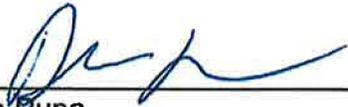
DISCUSSION:

The Ventura County Health Care Plan (VCHCP) has contracts with the Ventura County Medical Center (VCMC) and non-VCMC health care providers to obtain elective, emergency, and specialized patient care services. These contracts are needed to deliver adequate medical services to VCHCP enrollees and to ensure geographical and timely access.

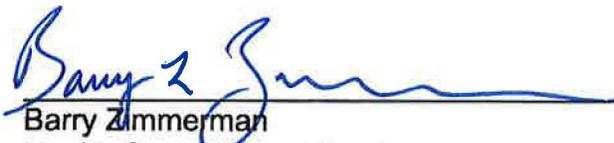
If approved by your Board, the Third Amendment to the hospital services agreement with Dignity Health will extend the Agreement through August 31, 2026 and add a new compensation for services exhibit, effective September 1, 2023. The compensation rates and stop-loss thresholds will increase by 4% for year 1, year 2 and year 3. On July 11, 2023 your Board approved expenditures for this contract for FY 23-24 in the total amount of \$4,500,000. At this time, there is no anticipated need for an increase in expenditures or appropriations.

The rate information for this agreement is exempt from disclosure under the Public Records Act (Gov. Code, Section 7926.205) and is redacted in the attached exhibit. An unredacted copy is available to Board members on request.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor-Controller's office. If you have any questions regarding these recommendations, please contact Dee Pupa at (805) 981-5006.



Dee Pupa
Health Care Agency Deputy Director Managed Care
Health Care Plan Administrator



Barry Zimmerman
Health Care Agency Director

Attachment: Exhibit 1 – Third Amendment to the Hospital Services Agreement with Dignity Health, d/b/a St. John's Regional Medical Center and St. John's Hospital Camarillo.