

December 19, 2023

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

Subject: Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Second Amendment to the Agreement for Pediatric Gastroenterology Services with Children's Hospital Los Angeles Medical Group, Inc. (CHLA), Extending the Term of the Agreement for One Additional Contract Year, Adding Additional Clinic Coverage, Increasing the Rates for Clinic Coverage, Effective November 1, 2023, Increasing the Purchase Document Not-to-Exceed Amount by \$115,800 from \$219,000 to \$334,800 per Contract Year; Ratification of the Health Care Agency's Authorization of CHLA to Provide Services in Anticipation of Your Board's Approval of This Amendment.

Recommendation:

That your Board approve, and authorize the Purchasing Agent or designee to sign, the second amendment to the agreement for Pediatric Gastroenterology Services with Children's Hospital Los Angeles Medical Group, Inc. (CHLA), extending the term of the agreement for one additional contract year, adding additional clinic coverage, increasing the rates for clinic coverage, effective November 1, 2023, increasing the purchase document not-to-exceed amount by \$115,800 from \$219,000 to \$334,800 per contract year, and ratify the Health Care Agency's (HCA) authorization of CHLA to provide services in anticipation of your board's approval of this amendment.

Reason for Ratification:

We were delayed in bringing this amendment to your Board due to additional time required to complete negotiations.

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 agreement.

	<u>Contract Year 1</u>	<u>Contract Year 2</u>
REVENUE:	\$115,800	\$334,800
DIRECT COSTS:	\$115,800	\$334,800
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

This proposed amendment will change the term of the contract from fiscal year to contract year effective November 1, 2023.

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

Sufficient revenue and appropriations are included in the FY 23-24 adopted 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 contract:

Provider	Eff. Date	Current Contract Annual Maximum	Proposed Contract Annual Maximum	Contract Year 1 Inc/<Decr>	Contract Year 2 Inc/<Decr>
CHLA (Pediatric Gastroenterology Services)	11/01/23	\$219,000	\$334,800	\$115,800	
CHLA (Pediatric Gastroenterology Services)	11/01/24	\$219,000	\$334,800		\$115,800
Total				\$115,800	\$115,800

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 amendment before your Board is for pediatric gastroenterology services to be provided by CHLA, a California tax exempt professional corporation. This amendment removes the not-to-exceed amount in the contract, increases clinical coverage from 288 half-day clinics to 372 half-day clinics and adjusts the clinical coverage rate from \$760.42 to \$900 to reflect fair market value. The increase in the number of clinics will allow patients to receive services in a timely manner. Furthermore, the amendment extends the current term by one additional contract year.

With your Board's approval, the agreement with CHLA, subject to all necessary budgetary approvals by your Board, shall remain in effect through October 31, 2024. Then, unless a 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 one additional period of one year.

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 Chief Financial Officer.

This letter has been reviewed by County Counsel, the Auditor-Controller's Office, General Services Agency Procurement Services, and the County Executive Office. If you have any questions regarding this item, please call Theresa Cho, M.D., Chief Executive Officer, Ambulatory Care, at 805-677-5223.



THERESA CHO, M.D.
Chief Executive Officer, Ambulatory Care



BARRY ZIMMERMAN
Health Care Agency Director

Attachment:

Exhibit 1 – Second Amendment to the Agreement with Children's Hospital Los Angeles Medical Group, Inc. for Pediatric Gastroenterology Services