

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 (HCA) Director or Designee to Sign, an Agreement with James M. Herman, M.D., Inc., for Medical Director, Attending Physician, Neurosurgical Services, Effective July 1, 2024, in the Amount of \$1,555,081 for Fiscal Year 2024-25 and up to Two Fiscal Years Thereafter; Approval of, and Authorization for the HCA Director or Designee to Sign, an Agreement with Nathan Oh M.D., Inc., for Associate Medical Director, Attending Physician, Neurosurgical Services, Effective July 1, 2024, in the Amount of \$618,000 for Fiscal Year 2024-25 and up to Two Fiscal Years Thereafter; Approval of, and Authorization for the HCA Director or Designee to Sign, the First Amendment to the Agreement with Ventura County Podiatric Medical Group, Inc., dba Coastal Foot and Ankle, for Podiatry Services, Extending the Term of the Contract Through June 30, 2025, and up to Two Fiscal Years Thereafter, Removing the Not-To-Exceed Amount from the Contract, and Increasing the Purchase Document by \$11,030 from \$624,520 to \$635,550, for Fiscal Year 2024-25 and to \$653,850 for Any Fiscal Year Thereafter, Effective July 1, 2024; Approval of, and Authorization for the HCA Director or Designee to Sign, the First Amendment to the Agreement with Nathan Carroll, M.D., for Assistant Chief Medical Informatics Officer, Extending the Term of the Contract Through September 30, 2024, and Increasing the Not-to-Exceed Amount by \$79,380 from \$238,140 to \$317,520, Effective July 1, 2024; Approval of, and Authorization for the HCA Director or Designee to Sign, the Third Amendment to the Agreement with Andrei Bobrow, M.D., Inc, dba Channel Islands Inpatient Pediatrics, for Medical Director and Attending Physician Inpatient Pediatric Hospitalists Services, Removing the Not-To-Exceed Amount from the Contract, and Increasing the Purchase Document for the Period of July 1, 2023, Through September 30, 2024, by \$15,000 from \$1,045,750 to \$1,060,750, and to \$951,500 for any Contract Year Thereafter, Effective July 1, 2024.

Recommendations:

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, an agreement with James M. Herman, M.D., Inc., for medical director, attending physician, neurosurgical services, effective July 1, 2024, in the amount of \$1,555,081 for fiscal year 2024-25 and up to two fiscal years thereafter;
2. That your Board approve, and authorize the HCA Director or designee to sign, an agreement with Nathan Oh M.D., Inc., for associate medical director, attending physician, neurosurgical services, effective July 1, 2024, in the amount of \$618,000 for fiscal year 2024-25 and up to two fiscal years thereafter;
3. That your Board approve, and authorize the HCA Director or designee to sign, the first amendment to the agreement with Ventura County Podiatric Medical Group, Inc., dba Coastal Foot and Ankle, for podiatry services, extending the term of the contract through June 30, 2025 and up to two fiscal years thereafter, removing the not-to-exceed amount from the contract, and increasing the purchase document by \$11,030 from \$624,520 to \$635,550 for fiscal year 2024-25 and to \$653,850 for any fiscal year thereafter, effective July 1, 2024;
4. That your Board approve, and authorize the HCA Director or designee to sign, the first amendment to the agreement with Nathan Carroll, M.D., for assistant chief medical informatics officer, extending the term of the contract through September 30, 2024, and increasing the not-to-exceed amount by \$79,380 from \$238,140 to \$317,520, effective July 1, 2024;
5. That your Board approve, and authorize the HCA Director or designee to sign, the third amendment to the agreement with Andrei Bobrow, M.D., Inc, dba Channel Islands Inpatient Pediatrics, for medical director and attending physician inpatient pediatric hospitalists services, removing the not-to-exceed amount from the contract, and increasing the purchase document for the period of July 1, 2023, through September 30, 2024, by \$15,000 from \$1,045,750 to \$1,060,750, and to \$951,500 for any contract year thereafter, 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 these Agreements:

	<u>FY 2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$0	\$2,263,491
DIRECT COSTS:	\$0	\$2,263,491
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current Fiscal Year Budget:

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	\$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:

Provider	Eff. Date	Current Contract Annual Maximum	Proposed Contract Annual Maximum	FY 24-25 Inc/<Decr>	Contract Year 1
James M. Herman, M.D., Inc.	7/1/2024	\$0	\$1,555,081	\$1,555,081	
Nathan Oh, M.D., Inc.	7/1/2024	\$0	\$618,000	\$618,000	
Ventura County Podiatric Medical Group, Inc.	7/1/2024	\$624,520	\$635,550	\$11,030	
Nathan Carroll, M.D.	7/1/2024	\$238,140	\$317,520	\$79,380	
Andrei Bobrow, M.D., Inc, dba Channel Islands Inpatient Pediatrics	7/1/2024	\$1,045,750	\$1,060,750		\$15,000
Total				\$2,263,491	\$15,000

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:

James M. Herman, M.D., Inc. and Nathan Oh, M.D., Inc. – The proposed agreements before your Board are for James Herman M.D., and Nathan Oh, M.D. Both doctors have been delivering exceptional neurosurgery services for HCA through a corporation, Pacific Coast Brain and Spine Associates, since 2021. However, as of July 1, 2024, this corporation will dissolve. Consequently, HCA will contract with the doctors through their new corporations. These agreements will provide HCA with 365 days of comprehensive neurosurgery coverage, including call coverage, clinic coverage (inpatient and outpatient), and surgical blocks. Additionally, the productivity compensation will increase, incentivizing the doctors to provide high-quality patient care.

Coastal Foot and Ankle – The proposed amendment before your Board is for Ventura County Podiatric Medical Group, Inc., DBA Coastal Foot and Ankle, a California Medical Corporation managed by Drs. Scot L. Roberg, Steven M. Vines, and Frank Stuhr, to provide podiatry physician services. The amendment increases the group's half-day clinic rate from \$500 to \$750, aligning it with the current fair market value. It also revises the rates for call services, incorporating the Juneteenth holiday as an observed holiday. Moreover, the amendment removes the not-to-exceed amount from the contract, and increases the purchase document by \$11,030 per fiscal year 2024-25.

With your Board's approval of the amendment, the agreement shall remain in effect through June 30, 2025. 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.

Nathan Carroll, M.D. – The proposed amendment before your Board is for Nathan Carroll, M.D. Dr. Carroll has been the Assistant Chief Medical Informatics Officer (ACMIO) since 2017 and has been assisting in the development of health informatics for HCA. The current agreement will expire on June 30, 2024. At this time, we are requesting approval for a three-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 Nathan Carroll, M.D., shall remain in effect through September 30, 2024.

Channel Islands Inpatient Pediatrics – The proposed third amendment before your Board is for Andrei Bobrow, M.D., Inc., DBA Channel Islands Inpatient Pediatrics. Dr. Bobrow has been providing pediatric hospitalist services for the HCA since 2005. This amendment adds compensation for a second shift of pediatricians during peak census days in the inpatient pediatric unit. This compensation will be reimbursed through Work Relative Value Units (WRVUs) at the rate of \$55 per WRVU. Furthermore, the amendment removes the not-to-exceed amount from the contract, and increases the purchase document by \$60,000 per contract year.

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 – Agreement for Medical Director and Attending Physician of Neurosurgery Services with James M. Herman M.D., Inc.
- Exhibit 2–Agreement for Associate Medical Director and Attending Physician of Neurosurgery Services with Nathan Oh M.D., Inc.
- Exhibit 3 – First Amendment to Agreement for Medical Director, Attending Physicians, Podiatry Services with Ventura County Podiatric Medical Group, Inc.
- Exhibit 4 – First Amendment to Agreement for Assistant Chief Medical Informatics Officer with Nathan Carroll, M.D.
- Exhibit 5 – Third Amendment to Agreement for Medical Director, Attending Physicians, Inpatient Pediatric Hospitalist with Andrei Bobrow, M.D., Inc., dba Channel Islands Inpatient Pediatrics