

Setting the Standard in Health Care Excellence

March 14, 2023

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, the Second Amendment to Agreement for Medical Director, Pain Management Services with George Chang Chien Inc., Increasing Compensation by \$60,000 Effective December 1, 2022 for a New Maximum Amount of \$533,000 for the Current Fiscal Year and for Up to Two Fiscal Years Thereafter; Ratification of HCA's Authorization for Contractor to Provide Increased Services that Resulted in Higher Work Relative Value Units During the First Six Months Under the Agreement, in Anticipation of Your Board's Approval of This Amendment.

Recommendations:

1. That your Board approve and authorize the Health Care Agency Director or designee to sign, the second amendment to agreement for Medical Director, Pain Management Services with George Chang Chien Inc., increasing compensation by \$60,000 effective December 1, 2022 for a new maximum amount of \$533,000 for the current fiscal year and for up to two fiscal years thereafter.
2. Ratify HCA's authorization of contractor to provide increased services that resulted in higher Work Relative Value Units (WRVUs), during the 1st six months under the agreement, 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 gather data, review reports, and 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>FY 2022-23</u>	<u>FY 2023-24</u>
REVENUE:	\$60,000	\$533,000
DIRECT COSTS:	\$60,000	\$533,000
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current FY 2022-23 Budget Projections for Ventura County Medical Center Hospital #3301				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	527,161,445.00	555,219,641.00	543,802,565.00	\$11,417,076
Revenue	545,623,292.00	552,098,004.00	561,970,252.00	\$9,872,248
Operational Income/(Loss)	\$18,461,847	(\$3,121,637)	\$18,167,687	\$21,289,324

*The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

Table 1 below summarizes the net financial impacts of the VCMC contract:

Provider	Eff. Date	Current Contract Annual Maximum	Proposed Contract Annual Maximum	FY 22-23 Inc/<Decr>	FY 23-24 Inc/<Decr>
George Chang Chien Inc.	12/1/2022	\$473,000	\$533,000	\$60,000	\$0
George Chang Chien Inc.	7/1/2023	\$473,000	\$533,000	\$0	\$60,000
Total				\$60,000	\$60,000

Discussion:

The proposed amendment before your Board is for George Chang Chien, Inc. On September 20, 2022, we brought to your Board an amendment for Dr. Chang Chien increasing the number of Work Relative Value Units (WRVUs) productivity from 5,500 to 7,000 per fiscal year with payable WRVUs from 2,100 to 3,600 annually. This second amendment further increases Dr. Chang Chien's WRVUs total productivity from 7,000 to 9,000 per fiscal year with 5,600 WRVUs eligible for additional compensation payable at existing rates of \$30/WRVU. This modification results in an eligible increase of up to \$60,000 in WRVUs compensation for the current fiscal year and for up to two additional future fiscal years. The new contract maximum is \$533,000 and these WRVUs will only be paid if earned. The cost of this contract is included in the budget for Fiscal Year 2022-23.

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 Theresa Cho, M.D., Chief Executive Officer, Ambulatory Care, at 805-677-5290.



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



BARRY ZIMMERMAN
Health Care Agency Director

Attachment:

Exhibit 1 – Second Amendment to Agreement for Medical Director, Pain Management Services with George Chang Chien Inc.