

September 26, 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 Fourth Amendment to Agreement for Medical Director, Breast Reconstructive Surgery and Gender Care Program Services with Arthur Flynn, M.D., Effective June 1, 2023, Increasing the Contract Maximum for Fiscal Year 2022-23 by \$26,727 for a New Maximum Amount of \$560,827, Retaining the Existing Maximum of \$553,880 for up to Two Additional Fiscal Years Thereafter; Ratification of HCA's Authorization for Contractor to Provide Services in Anticipation of Your Board's Approval of This Amendment.**

**Recommendations:**

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the fourth amendment to agreement for Medical Director, Breast Reconstructive Surgery and Gender Care Program services with Arthur Flynn, M.D., effective June 1, 2023, increasing the contract maximum for fiscal year 2022-23 by \$26,727 for a new maximum amount of \$560,827, retaining the existing maximum of \$553,880 for up to two additional fiscal years thereafter.
2. Ratify HCA's authorization of contractor to provide clinical 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 the additional time required to calculate the fee-for-service Work Relative Value Unit (WRVU) compensation for the month of June 2023.

**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:	\$26,727	\$553,800
DIRECT COSTS:	\$26,727	\$553,800
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

<b>Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300</b>				
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Projected Actual</b>	<b>Estimated Savings/ (Deficit)</b>
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.

**Discussion:**

The proposed fourth amendment before your Board is for Arthur Flynn, M.D. This fourth amendment includes an increase of \$26,727 for fee-for-service and medical director services rendered through June 30, 2023.

The agreement for Dr. Flynn was modified effective April 1, 2023, to a productivity arrangement, decreasing his overall compensation by \$22,500 in anticipation of lower productivity due to additional surgeons being contracted. Additional challenges in negotiations with other plastic surgeons resulted in delays in their start dates, causing Dr. Flynn to maintain high productivity that resulted in a \$26,727 overage over the contract maximum for increased surgeries performed and additional medical director hours. The increase is offset by revenue from collections.

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.

  
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JOHN FANKHAUSER, M.D.  
Chief Executive Officer, County Hospitals  
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BARRY ZIMMERMAN  
Health Care Agency Director

Attachments:

Exhibit 1 – Fourth Amendment to Agreement for Medical Director, Breast  
Reconstructive Surgery and Gender Care Services with Arthur Flynn, M.D.