

July 23, 2024

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

Subject: Ratification and Approval of, and Authorization for the Health Care Agency Director or Designee to Sign, Amendments to Six Agreements with Various Providers for the Provision of Medical Necessary Services, Increasing the Combined Maximum Amount of the Agreements from \$10,491,948 to \$10,829,417 (a Combined Increase of \$337,469), for Fiscal Year 2023-24, and from \$12,212,298 to \$12,437,427 (a Combined Increase of \$225,129), for Fiscal Year 2024-25; Ratification and Approval of, and Authorization for the Purchasing Agent or Designee to Increase the Purchase Document Not-To-Exceed Amount for Fahradyan Plastic Surgery by \$90,000 from \$437,000 to \$527,000 for Contract Year 2023-24 and Any Contract Year Thereafter.

Recommendations:

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the third amendment with William E. Starr, M.D., a Professional Corporation (Dr. Starr), for medical director, plastic and reconstructive surgery services and medical director, wound care program services, removing the not-to-exceed amount from the contract, and increasing the purchase document by \$30,000 from \$612,000 to \$642,000 for fiscal year 2023-24 and to \$612,000 for any fiscal year thereafter, effective June 1, 2024;
2. That your Board approve, and authorize the HCA Director or designee to sign, the first amendment with Ryan Bowman, M.D., Inc. (Dr. Bowman), for medical director, urology services, removing the not-to-exceed amount from the contract, and increasing the purchase document by \$10,000 from \$655,200 to \$665,200 for fiscal year 2023-24 and to \$655,200 for any fiscal year thereafter, effective June 1, 2024;
3. That your Board approve, and authorize the HCA Director or designee to sign, the second amendment with Ventura County Surgical Associates (VC Surgical), for director(s) and attending physicians of surgery services, decreasing the contract

not-to-exceed amount by \$79,000 from \$2,352,000 to \$2,273,000 for fiscal year 2023-24 and 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 with Ventura County Anesthesia Medical Group, Inc. (VC Anesthesia), for director and attending physicians, anesthesia services, increasing the contract not-to-exceed amount by \$297,318 from \$7,142,250 to \$7,439,567 for fiscal year 2023-24 and any fiscal year thereafter, effective June 1, 2024;
5. That your Board approve, and authorize the HCA Director or designee to sign, the second amendment with Critical Care Associates of Ventura County, Inc. (CCA), for director and attending physicians, critical care department services, increasing the contract not-to-exceed amount by \$151 from \$2,082,498 to \$2,082,649 for fiscal year 2023-24 and \$2,125,566 for any fiscal year thereafter, effective June 1, 2024;
6. That your Board approve, and authorize the HCA Director or designee to sign, the second amendment with Ventura County Podiatric Medical Group, Inc., DBA Coastal Foot and Ankle. (VC Podiatric), for medical director and attending physicians, podiatry services, increasing the purchase document by \$6,660 from \$635,550 to \$642,210 for fiscal year 2024-25 and \$660,460 for any fiscal year thereafter, effective July 1, 2024;
7. That your Board approve, and authorize the Purchasing Agent or designee to increase the purchase document for Fahradyan Plastic Surgery (Dr. Fahradyan) by \$90,000 from \$437,000 to \$527,000 for contract year 2023-24 and any contract year thereafter, effective June 1, 2024 (Table 3);
8. Ratify HCA's authorization of VC Surgical, and VC Podiatric, to provide services, under the terms of the amendments, effective July 1, 2024; and ratify HCA's authorization of Dr. Starr, Dr. Bowman, VC Anesthesia, Dr. Fahradyan, and CCA to provide services, under the terms of the amendments, effective June 1, 2024.

Reason for Ratification:

Due to the end of the fiscal year, contractors have exceeded the maximum amount established in their contract for productivity, and when the invoices were reviewed, your Board was not in session.

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 2024-25</u>	<u>FY 2025-26</u>
REVENUE:	\$562,597	\$
DIRECT COSTS:	\$562,597	\$
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current Fiscal Year Budget:

Current FY 2024-25 Budget Projections for Ventura County Medical System #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$720,985,484	\$720,985,484	\$720,985,484	\$0
Revenue	\$721,404,225	\$721,404,225	\$721,404,225	\$0
Operational Income/(Loss)	\$418,741	\$418,741	\$418,741	\$0

Sufficient revenue and appropriations are included in the FY 24-25 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 contracts FY23-24:

Provider	Eff. Date	Current Contract Annual Maximum FY23-24	Proposed Contract Annual Maximum FY23-24	FY 23-24 Inc/<Dec>
William E. Starr, M.D.	6/1/2024	\$612,000	\$642,000	\$30,000
Ryan Bowman, M.D., Inc.	6/1/2024	\$655,200	\$665,200	\$10,000
Ventura County Anesthesia Medical Group, Inc.	6/1/2024	\$7,142,250	\$7,439,567	\$297,318
Critical Care Associates of Ventura County, Inc.	6/1/2024	\$2,082,498	\$2,082,649	\$151
Total		\$10,491,948	10,829,417	\$337,469

Table 2 below summarizes the net financial impacts of the VCMC contracts FY24-25:

Provider	Eff. Date	Current Contract Annual Maximum FY24-25	Proposed Contract Annual Maximum FY24-25	FY 24-25 Inc/<Decr>
Ventura County Surgical Associates	7/1/2024	\$2,352,000	\$2,273,000	<\$79,000>
Ventura County Anesthesia Medical Group, Inc.	6/1/2024	\$7,142,250	\$7,439,567	\$297,318
Critical Care Associates of Ventura County, Inc.	6/1/2024	\$2,082,498	\$2,082,649	\$151
Ventura County Podiatric Medical Group, Inc. DBA Coastal Foot and Ankle	7/1/2024	\$635,550	\$642,210	\$6,660
Total		\$12,212,298	\$12,437,42	\$225,129

Table 3 below summarizes the net financial impacts of Fahradyan Plastic Surgery (SC 33002023073100000003):

Compensation Type	Attachment II Item Number	Amount	Contract Year 1	Contract Year 1	Contract Year 1 and any CY thereafter
			ENCUMBRANCE	INCREASE or <DECREASE>	TOTAL ENCUMBRANCE
Call Services	1	\$92,000	\$ 122,000		\$ 122,000
Hospital Services, Clinic Services and Operating Room Services	2	\$108,000	\$ 315,000	\$ 90,000	\$ 405,000
Total			\$ 437,000	\$ 90,000	\$ 527,000

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:

Dr. Starr – The proposed amendment removes the contract not-to-exceed amount and increases the purchase document amount by \$30,000 per fiscal year 2023-24, to ensure payment for services provided by Dr. Starr. This increase is necessary as Dr. Starr has surpassed the initial projected productivity levels.

Dr. Bowman – The proposed amendment removes the contract not-to-exceed amount and increases the purchase document amount by \$10,000 per fiscal year 2023-24, to ensure payment for services provided by Dr. Bowman. This increase is necessary as Dr. Bowman has surpassed the initial projected productivity levels.

VC Surgical – The proposed amendment for VC Surgical removes the compensations for the colorectal surgeon, the chair of surgery, and the director of the surgical intense care unit. Additionally, it updates the quality metrics language, the annual collection-sharing threshold, and increases the call rate to align with the current fair market value.

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.

VC Anesthesia – The proposed amendment for VC Anesthesia, updates the rates for the American Society of Anesthesiologists Unit Compensation, to align with the current fair market value. It also revises the call coverage compensation to incorporate the Juneteenth holiday as an observed holiday. These changes will begin in FY24-25. In addition, the amendment increases the not-to-exceed amount for FY 23-24 to compensate for increases in productivity.

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.

CCA – The proposed amendment is for Critical Care Associates, a Medical Corporation managed by Drs. Romero, Esherick, Fishman, Lepore, and Paterson. The amendment increases the Tele-ICU Coverage by \$151 to include coverage for leap years in telemedicine.

VC Podiatric – 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 revises the weekend schedule for call services, now including Friday as a weekend, which was previously classified as a weekday under the contract. As a result of this change, the not-to-exceed purchase document amount will increase by \$6,660 for fiscal year 2024-25 and by \$6,610 annually thereafter.

Dr. Fahradyan – The purchase document not-to-exceed amount for Dr. Fahradyan will be increased by \$90,000 to ensure uninterrupted payment for his services. This increase is necessary as Dr. Fahradyan has surpassed the initial projected productivity levels.

The portions of the amendments 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 the County Counsel, the Auditor-Controller's Office, the General Services Agency, 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



Theresa Cho, MD, MHA
Health Care Agency Director

Exhibits:

- Exhibit 1 – Third Amendment to Agreement for Medical Director, Plastic and Reconstructive Surgery Services with William E. Starr, M.D., a Professional Corporation.
- Exhibit 2 – First Amendment to Agreement for Medical Director, Urology Services with Ryan Bowman, M.D., Inc.
- Exhibit 3 – Second Amendment to Agreement for Medical Director(s), Attending Physicians for Surgery Services with Ventura County Surgical Associates.
- Exhibit 4 – First Amendment to Agreement for Medical Director, Attending Physicians, Anesthesia Services with Ventura County Anesthesia Medical Group, Inc.
- Exhibit 5 – Second Amendment to Agreement for Medical Director, Attending Physicians, Critical Care Department Services with Critical Care Associates of Ventura County, Inc.
- Exhibit 6 – Second Amendment to Agreement for Medical Director, Attending Physicians, Podiatry Services with Ventura County Podiatric Medical Group, Inc., DBA Coastal Foot and Ankle.