

July 25, 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, an Agreement with Traditions Psychiatry Group, P.C. Replacing the Prior Agreement Held Under Traditions Psychology Group, Inc. for Inpatient Behavioral Health and Psychiatric Medical Services, Effective July 1, 2023, in a Contract Maximum Amount of \$4,783,529 for Fiscal Year 2023-24 and For Up to Two Additional Periods of One Year Each; Ratification of HCA's Authorization for the Contractor to Provide Services Under the New Entity in Anticipation of Your Board's Approval.

**Recommendations:**

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, an agreement for inpatient behavioral health and psychiatric medical services with Traditions Psychiatry Group, P.C. replacing a prior agreement held under the business entity Traditions Psychology Group, Inc. for psychiatric medical services, effective July 1, 2023, in a contract maximum of \$4,783,529 for fiscal year 2023-24 and for up to two additional periods of one year each.
2. Ratify HCA's authorization for the contractor to provide services under the new entity commencing July 1, 2023, in anticipation of your Board's approval of the agreement.

**Reason for Ratification:** We were delayed in bringing this agreement to your Board due to late notification from the contractor that services will be provided under Traditions Psychiatry Group, P.C. in place of Traditions Psychology Group, Inc.

**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 2023-24</u> | <u>FY 2024-25</u> |
|--------------------|-------------------|-------------------|
| REVENUE:           | \$0               | \$4,783,529       |
| DIRECT COSTS:      | \$0               | \$4,783,529       |
| 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                                 |

\*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 23-24 Inc/<Decr> | FY 24-25 Inc/<Decr> |
|-----------------------------------|------------|---------------------------------|----------------------------------|---------------------|---------------------|
| Traditions Psychology Group, Inc. | 07/01/2023 | \$4,783,529                     | \$0                              | (4,783,529)         | \$0                 |
| Traditions Psychiatry Group, P.C. | 07/01/2023 | \$0                             | \$4,783,529                      | 4,783,529           | \$4,783,529         |
| Total                             |            |                                 |                                  | \$0                 | \$4,783,529         |

**Discussion:**

The proposed agreement before your Board is for Traditions Psychiatry Group, P.C. to provide inpatient behavioral health and psychiatric medical services effective, July 1, 2023. This agreement replaces the prior agreement held under the business name Traditions Psychology Group, Inc. for psychiatric medical services, which would have expired effective June 30, 2024. The new agreement may be extended for an additional two fiscal years, but otherwise contains the same terms and conditions as the previous agreement. This modification is accomplished within the existing compensation, representing a net zero increase in the current budget. The cost of this agreement is included in the adopted VCMC budget for Fiscal Year 2023-24.

With your Board's approval, the agreement with Traditions Psychiatry Group, P.C., subject to all necessary budgetary approvals by your Board, shall remain in effect through June 30, 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 two additional periods of one year each.

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

**Attachment:**

Exhibit 1 –Agreement for Inpatient Behavioral Health and Psychiatric Medical Services  
with Traditions Psychiatry Group, P.C.