

September 10, 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, Purchasing Agent or Their Designee to Sign, Amendments to Five Agreements and One New Agreement with Various Providers for the Provision of Medically Necessary Services, and to Increase the Purchase Document Amount for Another Provider, Increasing the Combined Maximum Amount of the Agreements from \$4,243,281 to \$4,309,281 (a Combined Increase of \$66,000), for Fiscal Year 2023-24, from \$3,441,453 to \$3,510,453 (a Combined Increase of \$69,000) for Fiscal Year 2024-25, and from \$23,242,543 to \$23,524,356 (a Combined Increase of \$281,813) for Contract Year 2024-25; Ratification of HCA's Authorization for Various Contractors to Provide Additional Services in Anticipation of Your Board's Approval of the Five Amendments; Delegation of Authority to the HCA Director, Purchasing Agent or Their Designee to Make Limited Modifications and Extend the Term of the Agreements.

Recommendations:

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the second amendment to the agreement with Oceanview Medical Specialists, (Oceanview) for medical specialty care services (Exhibit 1), removing the contract not-to-exceed amount, and increase the purchase document by \$256,513 from \$16,983,693 to \$17,240,206 for calendar year 2024 and by \$769,538 from \$17,408,286 to \$18,177,823 for calendar year 2025, effective September 1, 2024;
2. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the first amendment to the agreement with Golden State Imaging Associates, Inc. (GSIA) for radiology services (Exhibit 2), increasing the contract not-to-exceed amount by \$31,000 from \$1,291,332 to \$1,322,332 for fiscal year 2023-24 and any fiscal year thereafter, effective April 1, 2024;
3. That your Board approve, and authorize the HCA Director or designee to sign, the fifth amendment to the agreement with Arthur Flynn, M.D. (Dr. Flynn) for medical

- director, breast reconstructive surgery and gender care services (Exhibit 3), removing the not-to-exceed amount from the contract, and increase the purchase document by \$12,000 from \$553,880 to \$565,880 for fiscal year 2023-24 and any fiscal year thereafter, effective June 1, 2024;
4. That your Board approve, and authorize the HCA Director or designee to sign, an agreement with Ventura County Orthopaedic Associates (VC Ortho) for orthopedic surgical services (Exhibit 4), effective October 1, 2024, and set the purchase document amount at \$5,734,350 from October 1, 2024, through September 30, 2025, and up to two contract years thereafter;
 5. That your Board approve, and authorize the Purchasing Agent or designee to sign, the second amendment to the agreement with Todd Flosi, M.D. (Dr. Flosi) for associate chief medical officer and director, pediatric strategy services (Exhibit 5), removing the not-to-exceed amount from the contract, and increase the purchase document by \$3,000 from \$126,000 to \$129,000 for fiscal year 2024-25 and any fiscal year thereafter, effective August 1, 2024;
 6. That your Board approve, and authorize the Purchasing Agent or designee to sign, the third amendment to the agreement with Artur Fahradyan dba Fahradyan Plastic Surgery (Dr. Fahradyan) for plastic and reconstructive surgery services (Exhibit 6), increasing the purchase document by \$22,800 from \$527,000 to \$549,800 for contract year 2024-25, effective August 1, 2024;
 7. That your Board approve, and authorize the HCA Director or designee to increase the purchase document for Institute for Head & Neck Surgery Medical Group, Inc., (IHNS) by \$23,000 from \$2,398,069 to \$2,421,069 for the period of November 1, 2022, through June 30, 2024, and by \$23,000 from \$1,470,241 to \$1,493,241 for fiscal year 2024-25 and any fiscal year thereafter, effective July 1, 2024;
 8. That your Board ratifies HCA's authorization of Oceanview, GSIA, Dr. Flynn, Dr. Flosi, IHNS, and Dr. Fahradyan to provide services, under the terms of the amendments in anticipation of your Board's approval.
 9. Authorization for the HCA Director, Purchasing Agent, or their designee to amend these agreements to (a) allocate funds between different compensations within the purchase document not-to-exceed amount, (b) make contractual budget modifications that do not increase the amount of the purchase document, (c) and make corrections, clarifications and technical changes to the agreement and purchase document, when the changes are consistent with the original purpose of the agreement and do not result in additional costs to the County.
 10. Authorization for the HCA Director, Purchasing Agent, or their designee to extend the term of these agreements by amendment, for up to two (2) additional periods of one (1) year each following the completion of the initial agreement term, on the same or more favorable terms and conditions (with any changes in the Responsibilities of Contractor to be consistent with the original purpose of the

agreement), and for up to a 25% increase (within the fair market value) of the purchase document not to exceed amount. All extensions would be subject to all necessary prior appropriations and other budgetary approvals by your Board and review and approval as to form by County Counsel.

Reason for Ratification:

HCA authorized the providers listed above to provide services under the terms of the amendments, in anticipation of your Board's approval.

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:	\$66,000	\$731,157
DIRECT COSTS:	\$66,000	\$731,157
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/<Decr>
GSIA (Recommendation No.2)	4/1/2024	\$1,291,332	\$1,322,332	\$31,000
Dr. Flynn (Recommendation No.3)	6/1/2024	\$553,880	\$565,880	\$12,000
IHNS (Recommendation No.7)	6/1/2024	\$2,398,069	\$2,421,069	\$23,000
Total		\$4,243,281	\$4,309,281	\$66,000

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>
GSIA (Recommendation No.2)	7/1/2024	\$1,291,332	\$1,322,332	\$31,000
Dr. Flynn (Recommendation No.3)	7/1/2024	\$553,880	\$565,880	\$12,000
Dr. Flosi (Recommendation No.5)	8/1/2024	\$126,000	\$129,000	\$3,000
IHNS (Recommendation No.7)	7/1/2024	\$1,470,241	\$1,493,241	\$23,000
Total		\$3,441,453	\$3,510,453	\$69,000

Table 3 below summarizes the net financial impacts of the VCMC contracts for Contract Year 24-25:

Provider	Eff. Date	Current Contract Annual Maximum CY24-25	Proposed Contract Annual Maximum CY24-25	Contract Year Contract Year 24-25 Inc/<Decr>
Dr. Fahradyan (Recommendation No.6)	8/1/2024	\$527,000	\$549,800	\$22,800
VC Ortho (Recommendation No.4)	10/1/2024	\$5,731,850	\$5,734,350	\$2,500
Oceanview (Recommendation No.1)	9/1/2024	\$16,983,693	\$17,240,206	\$256,513
Total		\$23,242,543	\$23,524,356	\$281,813

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:

Oceanview – The proposed amendment removes the contract not-to-exceed amount. The requested increase in the purchase document will cover the cost of two new medical positions providing essential services in our system.

GSIA – The proposed amendment increases the contract not-to-exceed amount by \$31,000 for fiscal year 2023-24 and any fiscal year thereafter, to ensure payment for services provided by GSIA. This increase is necessary as GSIA has surpassed the initial projected amount for services provided at Ambulatory Care clinics.

Dr. Flynn – The proposed amendment removes the contract not-to-exceed amount. The requested increase in the purchase document amount, \$12,000 per fiscal year 2023-24 and any fiscal year thereafter, will ensure payment for services provided by Dr. Flynn. This increase is necessary as Dr. Flynn has surpassed the productivity levels in the contract.

VC Ortho – The proposed agreement before your Board is for Ventura County Orthopaedic Associates. VC Ortho is a partnership comprised of Drs. Emily Benson, Thomas Y. Wu, Denise Stennette, Damayea Hargett, Tadashi Takara, and Mary Ragsdale, through their professional medical corporations.

Your Board approved an agreement with VC Ortho on December 6, 2022, in the amount of \$5,733,601 for the period of November 1, 2023, through October 31, 2024, and

\$5,731,850 for the period of November 1, 2024, through October 31, 2025. With your Board's approval, the agreement approved on December 6, 2022, will be superseded by this new agreement, including an increase of \$2,500 for call coverage to cover the Juneteenth holiday. In addition, the new agreement makes some non-substantive language changes that VC Ortho requested after your Board approved the prior agreement.

The agreement with VC Ortho, subject to all necessary budgetary approvals by your Board, shall remain in effect through September 30, 2025. 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.

Dr. Flosi – The proposed amendment removes the contract's not-to-exceed amount and adds a new compensation category for educational expenses. To cover these expenses, we are requesting an increase in the purchase document amount of \$3,000 for fiscal year 2024-25 and each subsequent fiscal year.

Dr. Fahradyan – The proposed amendment to Dr. Fahradyan's contract includes the addition of a physician assistant. This new support staff will assist Dr. Fahradyan during surgical procedures, which will increase his productivity and generate additional revenue for the County. To accommodate this change, we are requesting a \$22,800 increase in the purchase document.

IHNS – With your Board's approval, the purchase document not-to-exceed amount for IHNS will be increased by \$23,000 to ensure uninterrupted payment for their services. This increase is necessary as IHNS has surpassed the initial projected productivity levels for Fiscal Year 2023-24.

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, MD, MHA
Chief Executive Officer, County Hospitals

Theresa Cho, MD, MHA
Health Care Agency Director

Exhibits:

- Exhibit 1 – Second Amendment to Agreement for Medical Specialty Care Services with Oceanview Medical Specialists.
- Exhibit 2 – First Amendment to Agreement for Radiology Services with Golden State Imaging Associates, Inc.
- Exhibit 3 – Fifth Amendment to Agreement for Medical Director, Breast Reconstructive Surgery and Gender Care Services with Arthur Flynn, M.D.
- Exhibit 4 – Agreement for Orthopedic Surgical Services with Ventura County Orthopaedic Associates, a California Partnership.
- Exhibit 5 – Second Amendment to Agreement for Associate Chief Medical Officer and Director, Pediatric Strategy with Todd Flosi, M.D.
- Exhibit 6 – Third Amendment to Agreement for Plastic and Reconstructive Surgery Services with Fahradyan Plastic Surgery.