

July 23, 2019

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

**Subject: Approval of the Third Amendment to the Agreement for Ventura County Medical Center (VCMC) Director and Attending Physicians, Hospitalist Services and Santa Paula Hospital (SPH) Director and Attending Physicians, Hospitalist and Critical Care Services with Ventura County Hospitalists, Inc., Modifying Throughput Measures at VCMC, Removing the Mid-Level Clinician Services at SPH and Decreasing the Contract Maximum Amount by \$120,000 to a New Contract Maximum of \$4,455,910 for the Period of July 1, 2019 to June 30, 2020, and One Fiscal Year Thereafter.**

**Recommendation:**

That your Board approves, and authorizes the Health Care Agency (HCA) Director or designee to sign, the Third Amendment to the Agreement for Ventura County Medical Center (VCMC) Director and Attending Physicians, Hospitalist Services and Santa Paula Hospital (SPH) Director and Attending Physicians, Hospitalist and Critical Care Services with Ventura County Hospitalists, Inc., modifying throughput measures at VCMC, removing the mid-level clinician services at SPH and decreasing the contract maximum amount by \$120,000 to a new contract maximum of \$4,455,910 for the period of July 1, 2019 to June 30, 2020, and one fiscal year thereafter.

**Fiscal Impact:**

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections/General Fund
Funding Match Required:	None
Impact on Other Departments:	N/A

Summary of Annual Revenues and Costs under this Agreement. The revenue and appropriations for this item will be included in the approved VCMC budget for Fiscal Year 2019-2020.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>
REVENUE:	\$4,455,910	\$4,455,910
DIRECT COSTS:	\$4,455,910	\$4,455,910
DIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

**Current Fiscal Year Budget Projections:**

Current FY 2019-20 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$504,040,129	504,040,129	\$504,040,129	\$0
Revenue	\$501,052,444	501,052,444	\$501,052,444	\$0
Operational Income/(Loss)	(\$2,987,685)	(\$2,987,685)	(\$2,987,685)	\$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 19-20 Inc/<Decr>	FY 20-21 Inc/<Decr>
Ventura County Hospitalists, Inc.	7/1/19	\$4,575,910	\$4,455,910	(\$120,000)	\$0
Total		\$4,575,910	\$4,455,910	(\$120,000)	\$0

**Discussion:**

The proposed third amendment before your Board is for the County's contract with Ventura County Hospitalists, Inc. (VCH). VCH is managed by Dr. Joseph Esherrick, President, who contracts through the corporation with multiple physicians to provide hospitalist services at both VCMC and SPH and critical care services at SPH.

The amendment removes the services of the mid-level clinician due to changes in the business operations at SPH. This modification results in a decrease in the contract amount of \$120,000 per fiscal year. In addition, Throughput Measure 1 – Multidisciplinary Case Management valued at \$20,000 has been removed in its entirety and Throughput Measure 2 – Residents Teaching Rounds and Throughput Measure 3 - VCMC Discharge have each been increased by \$10,000.

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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KARLA VALLE  
HCA Chief Financial Officer

  
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WILLIAM T. FOLEY  
Heath Care Agency Director

Attachments:

Exhibit 1 – Third Amendment to Agreement for Ventura County Medical Center (VCMC) Director and Attending Physicians, Hospitalist Services and Santa Paula Hospital (SPH) Director and Attending Physicians, Hospitalist and Critical Care Services with Ventura County Hospitalists, Inc.