

July 23, 2019

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

**Subject: Approval of the Third Amendment to Agreement for Medical Director of Pain Management Services with George Chang Chien Inc, Effective July 1, 2019, in a Maximum Amount of \$365,000 for Fiscal Year 2019-2020, \$375,000 for Fiscal Year 2020-2021, and \$385,000 for Fiscal Year 2021-2022; Ratification of Authorization for Dr. Chang Chien to Perform Services Pending Approval of the Amendment.**

**Recommendations:**

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the third amendment to the agreement for medical director of pain management services with George Chang Chien Inc, effective July 1, 2019, in a maximum amount of \$365,000 for fiscal year 2019-2020, \$375,000 for fiscal year 2020-2021, and \$385,000 for fiscal year 2021-2022.
2. That your Board ratify HCA's authorization for Dr. Chang Chien to perform services pending your Board's approval of the amendment.

**Reason for Ratification:**

The County's contract with George Chang Chien Inc, expired on June 30, 2019. HCA authorized Dr. Chang Chien to continue to provide services in anticipation of your Board's approval of an amendment extending the agreement.

**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 is included in the adopted VCMC Budget for Fiscal Year 2019-20.

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>
REVENUE:	\$365,000	\$375,000	\$385,000
DIRECT COSTS:	\$365,000	\$375,000	\$385,000
INDIRECT COSTS:	Minor	Minor	Minor
Net revenue <cost>	\$0	\$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>	FY 21-22 Inc/<Decr>
George Chang Chien Inc	7/1/2019	\$350,000	\$365,000	\$15,000		
George Chang Chien Inc	7/1/2020	\$365,000	\$375,000		\$10,000	
George Chang Chien Inc	7/1/2021	\$375,000	\$385,000			\$10,000
Total				\$15,000	\$10,000	\$10,000

**Discussion:**

The amendment presented to your Board is for Dr. George Chang Chien, doing business through his professional corporation, George Chang Chien Inc. The current agreement has reached the maximum number of approved extensions. The amendment renews the contract for an additional year with two one-year renewals thereafter. In addition, the base is increased from \$290,500 to \$331,000, productivity compensation is revised from \$25,000 per year to \$10,000, \$20,000, and \$30,000 over the next three fiscal years, respectively, and the performance thresholds are increased. Furthermore, the annual \$10,000 professional fees and \$2,500 conference reimbursement are removed and an annual \$12,000 payment for the purchase of health care benefits has been added. The cost of the amendment is included in the adopted budget for Fiscal Year 2019-20.

George Chang Chien, D.O. joined our system in 2015 in the role of Medical Director of Pain Management services. He graduated from Western University Health Science College of the Pacific, in Pomona, California and completed his residency at the Rehabilitation Institute of Chicago, in Chicago, Illinois. Dr. Chang Chien went on to pursue a fellowship in pain management at Cleveland Clinic in Cleveland, Ohio. He is board certified in physical medicine and rehabilitation.

With your Board's approval, the third amendment to agreement with George Chang Chien Inc will extend the contract through June 30, 2020. Then, unless either party gives notice of its intent not to renew at least thirty (30) 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 (2) additional periods of one (1) 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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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 Medical Director of Pain Management Services with George Chang Chien Inc