

July 23, 2019

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

Subject: Approval of the Agreement with Arthur Flynn, M.D. for Associate Specialist, Plastic and Reconstructive Surgery Services, in a Maximum Amount of \$393,300 per Fiscal Year, Effective July 1, 2019, through June 30, 2020, and for Up to Two Fiscal Years Thereafter; Ratification of Authorization for Dr. Flynn to Perform Services Pending Approval of the Agreement.

Recommendations:

1. That your Board approves, and authorizes the Health Care Agency (HCA) Director or designee to sign, the agreement with Arthur Flynn, M.D. for Associate Specialist, Plastic and Reconstructive Surgery Services, in a maximum amount of \$393,300 for the period of July 1, 2019 through June 30, 2020, and for up to two (2) fiscal years thereafter.
2. That your Board ratify HCA's authorization for Dr. Flynn to perform services pending your Board's approval of the agreement.

Reason for Ratification:

The County's contract with Arthur Flynn, M.D. expired effective June 30, 2019. HCA authorized Dr. Flynn to continue to provide services in anticipation of your Board's approval of a new 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 are included in the VCMC budget for Fiscal Year 2019-2020.

| | <u>FY 2019-20</u> | <u>FY 2020-21</u> |
|--------------------|-------------------|-------------------|
| REVENUE: | \$393,300 | \$393,300 |
| DIRECT COSTS: | \$393,300 | \$393,300 |
| 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> |
|--------------------|-----------|---------------------------------|----------------------------------|---------------------|---------------------|
| Arthur Flynn, M.D. | 07/01/19 | \$318,300 | \$393,300 | \$75,000 | \$0 |
| Total | | \$318,300 | \$393,300 | \$75,000 | \$0 |

Discussion:

The proposed agreement before your Board is for Arthur Flynn, M.D. Dr. Flynn is a graduate of the University of California, San Francisco and completed his residency in general surgery at University of California Medical Center, San Francisco. He continued his education at New York University Medical Center where he specialized in plastic and reconstructive surgery. Dr. Flynn is board certified in surgery and plastic and reconstructive surgery.

Dr. Flynn has been contracted with VCMC since 2010. He performs the vast majority of reconstructive surgeries which include breast reconstruction surgeries for patients who have had mastectomies as a result of breast cancer, complex wound reconstruction including skin grafts, wound flaps and revisions and primary excisions of melanoma and other skin cancers along with the requisite reconstruction thereafter. In addition, he participates with Dr. Starr and Dr. Howell in a call coverage schedule to cover the


Emergency Room and the Trauma Center 365 days per year, 7 days per week, 24 hours per day.

The current agreement reached the authorized maximum number of extensions and expired effective June 30, 2019. The agreement before your Board renews the agreement based on current terms and conditions and at the same rates, with an increase in contract services from the equivalent of a .8 to a 1.0 full-time contracted physician. The growth in services represents a \$75,000 increase which includes a reimbursement of \$12,000 per fiscal year for health care premiums. The cost of this contract is included in the VCMC budget for Fiscal Year 2019-20.

If approved, the agreement with Arthur Flynn, M.D., subject to all necessary budgetary approvals by your Board, shall be in effect through June 30, 2020. Then, unless either party gives notice of its intent not to renew at least ninety (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 (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.


JOHN FANKHAUSER, M.D.
Chief Executive Officer, County Hospitals


KARLA VALLE
HCA Chief Financial Officer


WILLIAM T. FOLEY
Health Care Agency Director

Attachments:

Exhibit 1 – Agreement for Associate Specialist, Plastic and Reconstructive Surgery Services with Arthur Flynn, M.D.