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Christopher Young, MD
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April 9, 2019

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

Subject: Approval of the First Amendment to the Agreement with Traditions Behavioral Health for Psychiatric Medical Services at Ventura County Medical Center, Effective April 1, 2019, Modifying the Contract Services, Decreasing the Contract Maximum Amount by \$42,810 to a New Contract Maximum of \$3,424,767 for the Period of July 1, 2018 through June 30, 2019, Setting a New Contract Maximum of \$3,296,338 for Fiscal Year 2019-2020, and Extending the Contract through June 30, 2020.

Recommendation:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the first amendment to the agreement with Traditions Behavioral Health for psychiatric medical services at Ventura County Medical Center (VCMC), effective April 1, 2019, modifying the contract services, decreasing the contract maximum amount by \$42,810 from \$3,467,577 to \$3,424,767, setting a new contract maximum of \$3,296,338 for fiscal year 2019-2020 and extending the contract through June 30, 2020.

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 approved VCMC Budget for Fiscal Year 2018-2019.

	<u>FY 2018-19</u>	<u>FY 2019-20</u>
REVENUE:	(\$42,810)	(\$171,239)
DIRECT COSTS:	(\$42,810)	(\$171,239)
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current Fiscal Year Budget Projections:

Current FY 2018-19 Budget Projections for Ventura Inpatient Psychiatric Unit #3361				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$20,318,395	\$20,571,510	\$19,609,939	\$961,571
Revenue	\$21,709,243	\$21,709,243	\$19,826,191	(\$1,883,052)
Operational Income/(Loss)	\$1,390,848	\$1,137,733	\$216,252	(\$921,481)

*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 18-19 Inc/<Decr>	FY 19-20 Inc/<Decr>
Traditions Behavioral Health	3/1/2019	\$3,467,577	\$3,296,338	(\$42,810)	(\$171,239)
Total				(\$42,810)	(\$171,239)

Discussion:

The proposed first amendment before your Board is for the County's contract with Traditions Behavioral Health (TBH). This amendment modifies the existing agreement by decreasing the overall hours in the Inpatient Psychiatric Unit (IPU), removing the compensation for pediatric psychiatry services and allowing TBH to bill for the pediatric psychiatric consultation services at the VCMC Emergency Department. Accordingly, the compensation for the services has been decreased by \$171,239 per fiscal year, which results in a \$42,810 savings in the current fiscal year. The cost of this contract is included in the adopted budget for fiscal year 2018-19 and will be included in the proposed budget for fiscal year 2019-2020.

The amendment extends the contract through June 30, 2020. The agreement shall terminate on that date unless parties agree to an extension.

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 Kim Milstien, Chief Executive Officer, County Hospitals, at 805-652-6058.



KIM S. MILSTIEN
Chief Executive Officer, County Hospitals



JOHN FANKHAUSER, M.D.
HCA Chief Medical Officer



KARLA VALLE
HCA Chief Financial Officer



WILLIAM T. FOLEY
Health Care Agency Director

Attachments:

Exhibit 1 – First Amendment to Agreement with Traditions Behavioral Health, for
Psychiatric Medical Services.