

**William T. Foley**  
Health Care Agency Director

**John Fankhauser, MD**  
HCA Chief Medical Officer

**Johnson K. Gill**  
Chief Executive Officer  
Ambulatory Care Delivery

**Sevet Johnson, PsyD**  
Behavioral Health Director

**Katie McKinney**  
Human Resources Director

**Kim S. Milstien**  
Chief Executive Officer  
County Hospitals

**Karla Valle**  
HCA Chief Financial Officer

**Rigoberto Vargas**  
Public Health Director

**Jennifer Wortham, Dr.PH**  
Chief Deputy Director  
Strategy and Growth

**Christopher Young, MD**  
Medical Examiner

April 9, 2019

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

**Subject: Approval of the Agreement with Mrugesh C. Shah, M.D., for Attending Physician, Pathology Services, in a Maximum Amount of \$255,000 per Fiscal Year, Effective July 1, 2019, through June 30, 2020, and for Up to Two Fiscal Years Thereafter.**

**Recommendation:**

That your Board approves, and authorizes the Health Care Agency (HCA) Director or designee to sign, the agreement with Mrugesh C. Shah, M.D., for Attending Physician, Pathology Services, in a maximum amount of \$255,000 per fiscal year for the period of July 1, 2019 through June 30, 2020, and for up to two (2) Fiscal Years 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 proposed VCMC Budget for Fiscal Year 2019-2020.

|                    | <u>FY 2019-20</u> | <u>FY 2020-21</u> |
|--------------------|-------------------|-------------------|
| REVENUE:           | \$255,000         | \$255,000         |
| DIRECT COSTS:      | \$255,000         | \$255,000         |
| DIRECT COSTS:      | Minor             | Minor             |
| Net revenue <cost> | \$0               | \$0               |

**Current Fiscal Year Budget Projections:**

| Current FY 2018-19 Budget Projections for Ventura County Medical Center #3300 |                |                 |                  |                             |
|---|----------------|-----------------|------------------|-----------------------------|
|   | Adopted Budget | Adjusted Budget | Projected Actual | Estimated Savings/(Deficit) |
| Expenditures  | \$508,452,987  | \$522,276,728   | \$511,788,409    | \$10,488,319                |
| Revenue   | \$508,282,831  | \$518,490,803   | \$494,777,766    | (\$23,713,037)              |
| Operational Income/(Loss)   | (\$170,156)    | (\$3,785,925)   | (\$17,010,643)   | (\$13,224,718)              |

\*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> |
|-----------------------|-----------|---------------------------------|----------------------------------|---------------------|---------------------|
| Mrugesh C. Shah, M.D. | 07/01/19  | \$255,000                       | \$255,000                        | \$0                 | \$0                 |
| Total                 |           | \$255,000                       | \$255,000                        | \$0                 | \$0                 |

**Discussion:**

The proposed agreement before your Board is for Mrugesh C. Shah, M.D. Dr. Shah joined our system in 2016 as a contracted attending physician, pathology services. The current agreement has reached the authorized maximum number of extensions and will expire on June 30, 2019. The agreement before your Board renews the contract based on current terms and conditions and at the same rates, representing a net zero impact on the budget. The cost of this contract will be included in the proposed budget for Fiscal Year 2019-20.

If approved, the agreement with Mrugesh C. Shah, 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 Kim Milstien, Chief Executive Office, County Hospitals, at 805-652-6058.

  
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KIM S. MILSTIEN  
Chief Executive Officer, County Hospitals

  
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JOHN FANKHAUSER, M.D.  
HCA Chief Medical Officer

  
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KARLA VALLE  
HCA Chief Financial Officer

  
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WILLIAM T. FOLEY  
Health Care Agency Director

Attachments:

Exhibit 1 – Agreement for Attending Physician, Pathology Services with Mrugesh C. Shah, M.D.