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*Setting the Standard in Health Care Excellence*

May 18, 2021

Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93003**Subject:****Approval of the Fourth Amendment to the Facility Agreement with Blue Cross of California, Doing Business as Anthem Blue Cross , Effective June 1, 2021 through May 31, 2022.****Recommendation:**

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the attached Fourth Amendment to the Facility Agreement with Blue Cross of California, doing business as Anthem Blue Cross (Anthem), effective June 1, 2021 through May 31, 2022.

**Fiscal Impact:**

Mandatory:	No
Source of Funding:	N/A
Funding Match Required:	No
Impact on Other Departments	N/A

**Summary of Annual Revenues and Costs Under this Agreement:**

	<u>FY 2020-2021</u>	<u>FY 2021-2022</u>
Revenue:	\$32,000	\$349,000
Direct Cost:	\$0	\$0
Indirect Cost:	\$0	\$0
Net County Cost	\$(32,000)	(\$349,000)

**Current Fiscal Year Budget Projections:**

<b>Current FY 2020-21 Budget Projections for Ventura County Medical Center #3300</b>				
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Projected Actual</b>	<b>Estimated (Savings/Deficit)</b>
Expenditures	\$523,626,081	\$577,770,628	\$536,211,559	\$41,559,069
Revenue	\$540,682,161	\$552,632,131	\$536,556,279	(\$16,075,852)
Operational Income/(Loss)	\$17,056,080	(\$25,138,497)	\$344,720	\$25,483,217

\*The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.

**Discussion:**

The County of Ventura, owner and operator of Ventura County Medical Center (VCMC) and Santa Paula Hospital, entered into a Facility Agreement with Anthem on April 1, 2013. The County of Ventura and Anthem now wish to modify certain provisions of the Facility Agreement effective June 1, 2021 through May 31, 2022. This amendment represents the first substantive renegotiation of the rates set forth in the original agreement.

This fourth amendment establishes updated reimbursement rates for inpatient and outpatient services. The anticipated impact is an aggregate [REDACTED] increase in reimbursement rates at the two hospitals. HCA preferred to keep the contract at a one-year length to allow for ongoing improvements to further strengthen our position for future increases in coming years. HCA is also concurrently evaluating data and practices to capitalize on revenue enhancement opportunities with Anthem. This amendment also changes the term of the agreement and the time frame for termination without cause, as detailed in Exhibit 1.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor-Controller's Office. The portions of the exhibit concerning compensation paid to HCA are exempt from disclosure under the Public Records Act (Health and Safety Code section 1457 (c) (1)). If the Board would like further information regarding the rates or if there are any questions regarding these recommendations, please contact Erik Cho, Director of Strategy and Business Development, at 805-677-5110.

  
Barry Zimmerman  
Health Care Agency Director

**Attachments:**

Exhibit 1 – Fourth Amendment to the Anthem Blue Cross Facility Agreement  
Exhibit 2 – Anthem Blue Cross VCMC Rate Sheet