

September 14, 2021

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

Subject: Approval of, and Authorization for the Health Care Agency Director or Designee to Sign, the Fourth Amendment to the Agreement with Ventura County Orthopaedic Associates for Orthopedic Surgical Services, Extending the Term of the Agreement Through June 30, 2022, and Increasing the Contract Maximum to \$4,959,910 for Fiscal Year 2021-22.

Recommendation:

That your Board approve, and authorize the Health Care Agency Director or designee to sign, the fourth amendment to the agreement for orthopedic surgical services with Ventura County Orthopaedic Associates, extending the term of the agreement through June 30, 2022, and increasing the contract maximum by \$3,719,933 to \$4,959,910 for Fiscal Year 2021-22.

Fiscal Impact:

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections
Funding Match Required:	None
Impact on Other Departments:	N/A

Summary of Annual Revenues and Costs under this agreement.

	<u>FY 2021-22</u>	<u>FY 2022-23</u>
REVENUE:	\$4,959,910	\$0
DIRECT COSTS:	\$4,950,910	\$0
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current Fiscal Year Budget Projections:

Current FY 2021-22 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/Deficit)
Expenditures	\$545,425,059	\$545,425,059	\$545,425,059	\$0
Revenue	\$545,674,943	\$545,674,943	\$545,674,943	\$0
Operational Income/(Loss)	\$249,884	\$249,884	\$249,884	\$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 21-22 Inc/<Decr>	FY 22-23 Inc/<Decr>
Ventura County Orthopaedic Associates	7/1/2021	\$4,959,910	\$4,959,910	\$0	\$0
Total		\$4,959,910	\$4,959,910	\$0	\$0

Discussion:

The proposed amendment before your Board is for Ventura County Orthopaedic Associates (VCOA). VCOA is a California partnership comprised of medical corporations operated by Drs. Emily Benson, Thomas Y. Wu, M.D., Denise Stennette, M.D., Damayea Hargett, M.D., Tadashi Takara, M.D., and Mary Ragsdale, M.D. In addition to these partners, the participating providers employed by VCOA are as follows: Michael Flynn Maguire, M.D., Inc. and Sean D. Early, M.D., Inc., operating through Pediatric Orthopedic & Scoliosis Center of Central Coast, a California partnership, Helena G. Keeter, PA-C, and Ross Monroe, PA-C.

The current agreement with VCOA expires on September 30, 2021. The amendment presented to your Board will renew existing terms and compensation in effect. The negotiations with VCOA will continue and a new agreement will be brought for approval to your Board when they are complete. The cost of this service is included in the current budget for Fiscal Year 2021-22.

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



BARRY ZIMMERMAN
Health Care Agency Director

Attachments:

Exhibit 1 – Fourth Amendment to the Agreement with Ventura County Orthopaedic
Associates for Orthopedic Surgical Services