

"Setting the standard in health care excellence"

April 24, 2012

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

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VCMC Ambulatory Care Administrator

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Health Care Agency
Human Resources Director

Subject: Approval of and Authorization for the Health Care Agency Director or Designee to Sign the Agreement with Michael Richardson, M.D. for Pathology Physician Services, Effective May 1, 2012, for a Period of 14 Months; Approval of and Authorization for the Health Care Agency Director or Designee to Sign the Agreement with Melanie Gero, M.D. for Pathology Physician Services, Effective July 1, 2012, for a Period of One (1) Year

Recommendations:

1. That your Board approves and authorizes the Health Care Agency Director or designee to sign the agreement with Michael Richardson, M.D. for Pathology Physician Services, effective May 1, 2012, for a period of one 14 months.
2. That your Board approves and authorizes the Health Care Agency Director or designee to sign the agreement with Melanie Gero, M.D. for Pathology Physician Services, effective July 1, 2012, for a period of one (1) year.

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 FY 2011-2012.

	<u>FY 2011- 12</u>	<u>FY 2012-13</u>
REVENUE:	\$0	\$17,500
DIRECT COSTS:	\$0	\$17,500
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current FY 2011-12 Budget Projections for Ventura County Medical Center #5210				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Expenditures	\$303,258,171	\$308,711,703	\$306,861,533	\$ 1,850,170
Revenue	\$319,348,329	\$326,948,329	\$323,352,728	\$(3,595,601)
Operational Income/(Loss)	\$ 16,090,158	\$ 18,236,626	\$ 16,491,195	\$(1,745,431)

The Table below summarizes the net financial impacts of the contracts:

Provider	Eff Date	Current Contract Annual Maximum	Proposed Contract Annual Maximum	FY 11-12 Inc/<Decr>**	FY 12-13 Inc/<Decr>
Mindy Cooper-Smith, MD	1/1/2012	\$117,500	\$0	(\$39,167)	(\$117,500)
Michael Richardson, MD*	5/1/2012	\$100,000	\$235,000	\$ 39,167	\$135,000
Melanie Gero, MD	7/1/2012	\$235,000	\$235,000	\$0	\$0
Totals		\$452,500	\$470,000	\$0	\$17,500

*Interim Purchasing Order contract put into effect 1/1/2012 to be able to cover pathology services while preparing an individual contract for your Board's approval.

**Individual physician contract for FY11-12 is for approximately 6 months period.

Discussion:

The first agreement presented to the Board is for Michael Richardson, M.D. Dr. Richardson is a graduate of Ohio State University College of Medicine, in Columbus, Ohio. He completed his residency in Anatomic and Clinical Pathology at Walter Reed Army Medical Center, in Washington, D.C. and an Immunopathology Fellowship at Scripps Clinic and Research Foundation in La Jolla, CA. Dr. Richardson holds the Order of Military Medical Merit Honors from the U.S. Army Medical Department, the U.S. Army Meritorious Service Medal, and the California Legislature Assembly Certificate of Recognition. He is Board Certified in Cytopathology, Immunopathology, and Anatomic and Clinical Pathology.

Dr. Richardson is currently under a purchase order agreement of \$100,000 that has been established in order to maintain continuity of pathology services after the departure of Dr. Mindy Cooper-Smith in January of 2012. The contract before the board is at the same level of clinical responsibilities and reimbursements as our other experienced pathologists.

Over the last four years, we have successfully implemented our goal of expanding services to encompass all of the satellite clinic laboratory testing at VCMC and Santa Paula Hospitals. This change has resulted in improved services and a more efficient use of VCMC resources as well as a double digit increase in the patient volumes. VCMC experienced a 29% increase in Fiscal Year 2009-10 and a 21% increase during Fiscal Year 2010-11. Meanwhile, SPH had a 22% increase in Fiscal Year 2009-10 and

a 16% increase in Fiscal Year 2010-11. In addition, the VCMC system continues to manage a growth in outpatient volumes, particularly in surgical and oncology specialties. For instance, Pediatric Oncology patient visits have increased by 22% over the past year, while Adult Oncology have increased by 35% over the past two years.

With continuous increases in work volumes and case complexity, our Pathology Department has maintained high quality services, which is evidenced by the recent successful California Association of Pathology (CAP) Survey. The continued participation of Dr. Richardson as a pathologist with the VCMC system will allow the system to manage the growth while maintaining high quality Pathology services for our patients. The cost of this contract is fully offset by the current and additional revenue from pathology services and it is included in the Fiscal Year 2011-12 budget.

The second agreement presented to the Board is for Melanie Gero, M.D. Dr. Gero is a graduate of University of Stellenbosch Medical School in South Africa and she completed her residency in Pathology at Long Island Jewish Medical Center. Dr. Gero has fellowship training in Cytology and she is Board Certified. Dr. Gero has been in the VCMC system since March 1993. The contract before the board represents a renewal of existing terms and rates, hence, representing no financial impact.


These agreements shall be effective May 1, 2012 and July 1, 2012, respectively, and subject to all necessary budgetary approvals by the Ventura County Board of Supervisors, shall remain in effect until June 30, 2013. Then, unless either party gives notice of its intent not to renew at least thirty (30) days prior to the renewal date, and subject to the receipt of all necessary budgetary approvals by the Ventura County Board of Supervisors, each agreement shall then be extended for up to two (2) additional periods of one (1) year each. The costs of these contracts are included in the current budget.

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 Paul Lorenz at 805-652-6058.



PAUL LORENZ

Deputy Director - VCMC Hospital Administrator



ROBERT GONZALEZ, M.D.

Health Care Agency Director

Attachments:

Exhibit 1 – Agreement with Michael Richardson, M.D.

Exhibit 2 – Agreement with Melanie Gero, M.D.