

Setting the Standard in Health Care Excellence

February 28, 2023

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

Subject: Approval of, and Authorization for the Health Care Agency (HCA) Director or Designee to Sign, the First Amendment to Agreement for Director(s) and Attending Physicians of Surgery, Metabolic and Bariatric Surgery, Trauma, Thoracic Surgery, Robotic Surgery, and Quality Improvement Services with Ventura County Surgical Associates, Adding a Colorectal Surgeon and Increasing the Compensation by \$250,000 per Fiscal Year, Effective July 1, 2023, for a New Contract Maximum Amount of \$2,352,000 for the Period of July 1, 2023 Through June 30, 2024, and up to One Additional Fiscal Year Thereafter.

Recommendation:

1. That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, the first amendment to agreement for director(s) and attending physicians of surgery, metabolic and bariatric surgery, trauma, thoracic surgery, robotic surgery, and quality improvement services with Ventura County Surgical Associates, adding a colorectal surgeon and increasing the compensation by \$250,000 per fiscal year, for a new contract maximum amount of \$2,352,000 for the period of July 1, 2023, through June 30, 2024, and up to one (1) additional fiscal year thereafter.

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 2022-23</u>	<u>FY 2023-24</u>
REVENUE:	\$0	\$250,000
DIRECT COSTS:	\$0	\$250,000
INDIRECT COSTS:	Minor	Minor
Net revenue <cost>	\$0	\$0

Current FY 2022-23 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$597,277,305	\$627,489,238	\$620,091,297	\$7,397,941
Revenue	\$597,588,755	\$604,063,467	\$612,518,590	\$8,455,123
Operational Income/(Loss)	\$311,450	(\$23,425,771)	(\$7,572,707)	\$15,853,064

*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 22-23 Inc/<Decr>	FY 23-24 Inc/<Decr>
Ventura County Surgical Associates	07/01/23	\$2,102,000	\$2,352,000	\$0	\$250,000
Total				\$0	\$250,000

Discussion:


The proposed amendment presented to your Board is for Ventura County Surgical Associates (VCSA), a California partnership of Drs. Javier Romero, Thomas Duncan, Jeremy Schweitzer, and Barry Sanchez, acting through their medical corporations.

The amendment before your Board adds a new colorectal surgeon, Adam Shellito, M.D. Dr. Shellito graduated from Medical School at University of California, Davis, School of Medicine in Davis, CA, in 2016. He completed a General Surgery Internship, in 2017, and a General Surgery Residency, in 2022, both at Los Angeles County Harbor, UCLA Medical Center, in Torrance, CA. He continued his education with a Colon and Rectal Surgery Fellowship at Icahn School of Medicine at Mount Sinai, New York, NY which he will complete by June 2023. Dr. Shellito is Board Certified in General Surgery.

The addition of Dr. Shellito, increases compensation by \$250,000 per fiscal year. The overall compensation of Dr. Shellito is shared between these added funds and future collections that the surgeon will be generating. As in its current agreement, VCSA will continue to independently bill and collect the professional fees for its services. HCA collects the facility charges for these services and will continue to collect for these services. The intent is for these funds to be eventually removed from the agreement, once Dr. Shellito establishes his practice and the physicians' collections will pay for compensation in its entirety. The cost of this agreement will be included in the proposed VCMC budget for Fiscal Year 2023-24.

With your Board's approval, the agreement with VCSA, subject to all necessary budgetary approvals by your Board, shall remain in effect through June 30, 2024. Then, unless a party gives notice of its intent not to renew at least 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 one additional period of one year.

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

Attachment:

Exhibit 1 – First Amendment to Agreement for Director(s) and Attending Physicians of Surgery, Metabolic and Bariatric Surgery, Trauma, Thoracic Surgery, Robotic Surgery, and Quality Improvement Services with Ventura County Surgical Associates