

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 with Renaissance Imaging Medical Associates, Inc., (RIMA) for Director and Attending Physicians, Radiological Services, Extending the Term for 1 Additional Year, Adding Medical Director, Quality Metrics Compensation, Monthly Base Fees, X-ray and Ultrasound Fees, and Increases to Interventional Radiology Services Necessary for the Trauma Center, Increasing the Current Agreement Effective February 1, 2023, by \$410,763 for a New Contract Maximum Amount of \$716,263 for Fiscal Year 2022-2023, and by \$985,832 for New Contract Maximum Amount of \$1,291,332 for a For Up to Three Fiscal Years Thereafter; Ratification of HCA's Authorization for the Contractor to Provide Additional Services in Anticipation of Your Board's Approval of the First Amendment.

Recommendations:

1. That your Board approve and authorize the Health Care Agency (HCA) or designee to sign the first amendment to the agreement for director and attending physicians, radiological services, with Renaissance Imaging Medical Associates, Inc., (RIMA), extending the term for one additional year, adding medical director, quality metrics compensation, monthly base fees, x-ray and ultrasound fees, and increases to interventional radiology services necessary for the Trauma Center, and increasing the current agreement, effective February 1, 2023, by \$410,763 for a new contract maximum amount of \$716,263 for fiscal year 2022-23 and by \$985,832 for a new contract maximum of \$1,291,332 for up to three additional fiscal years thereafter.
2. Ratify HCA's authorization for Contractor to provide additional services commencing February 1, 2023, in anticipation of your Board's approval of the First Amendment.

Reason for Ratification: We were delayed in bringing this First Amendment to your Board due to additional time required to complete negotiations.

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:	\$410,763	\$1,291,332
DIRECT COSTS:	\$410,763	\$1,291,332
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>
Renaissance Imaging Medical Associates, Inc.	2/1/2023	\$305,500	\$716,263	\$410,763	\$0
Renaissance Imaging Medical Associates, Inc.	7/1/2023	\$305,500	\$1,291,332	\$0	\$985,832
Total				\$410,763	\$985,832

Discussion:

The proposed first amendment presented to your Board is for Renaissance Imaging Medical Associates, Inc. (RIMA). RIMA has been providing radiology services for the Health Care Agency since 2016. Most recently, RIMA experienced a significant loss of radiologists due to higher demand of physicians, increased salaries, and other benefits such as lower call hours, and working remotely, currently offered in the market in the

aftermath of COVID-19. As a result, retaining highly qualified physicians at the current rates has become a challenge.

The current agreement with RIMA is valued at \$305,500. The proposed first amendment increases current rates by \$985,832 per fiscal year, with an adjusted amount of \$410,763 for fiscal year 2022-2023 for a 5-month period. This amount includes a medical director fee of \$36,000, that was previously removed in the amendment effective March 1, 2019. In addition, it adds quality metrics valued at \$335,165 per fiscal year, adds a monthly base of \$291,776 at VCMC and \$43,391 at SPH, a per x-ray and per ultrasound compensation in Ambulatory Care valued at \$180,000 and increases interventional radiology services necessary for the Trauma Center from \$255,500 to \$405,000 per fiscal year. These increases are a result of higher compensation offered in the current market to interventional radiologists and shortages in the specialty. The cost of this contract is included in the current budget for Fiscal Year 2022-23.

The agreement with RIMA, shall remain in effect through June 30, 2023. Then, unless either party gives notice of its intent not to renew at least 90 days prior to the annual renewal date, and subject to the receipt of all necessary budgetary approvals by your Board, the agreement shall then be extended for up to three additional periods of one 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 John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058 or Theresa Cho, M.D., Chief Executive Officer, Ambulatory Care, at 805-677-5290.



THERESA CHO, M.D.
Chief Executive Officer, Ambulatory Care



JOHN FANKHAUSER, M.D.
Chief Executive Officer, County Hospitals



BARRY ZIMMERMAN
Health Care Agency Director

Attachments:

Exhibit 1 – First Amendment to Agreement for Director and Attending Physicians, Radiological Services with Renaissance Imaging Medical Associates, Inc.