



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: July 19, 2016
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Takashi Wada, MD, MPH, Director and Health Officer
Director Public Health Department
Contact Info: Dana Gamble, Assistant Deputy Director 681-5171
SUBJECT: **Second Amendment to Hospitalist and Outpatient Professional Services Agreement with Santa Barbara Cottage Hospital**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to ratify the Second Amendment to the Professional Services Agreement with Santa Barbara Cottage Hospital (a local vendor) for hospitalist and outpatient professional services for the period of July 1, 2016 through June 30, 2019 in an amount not to exceed \$0.
- b) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15378(b)(4), since the recommended actions are government fiscal activities which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is on the agenda to execute a Second Amendment to the Santa Barbara Cottage Hospital Agreement. This Second Amendment will extend the term of the Agreement through June 30, 2019 and Amend Exhibit A – Statement of Work.

Background:

The Public Health Department (PHD) and Santa Barbara Cottage Hospital have worked collaboratively since 1978 to provide both outpatient and hospital based medical services to the uninsured and underinsured residents of Santa Barbara County while also providing valuable experience to participants

of the Cottage Hospital Residency Program. With Graduate Medical Education (GME) programs in surgery, radiology, and internal medicine, physicians in training care for diverse patient populations in both outpatient clinics and hospital settings.

Internal Medicine and Surgery Residents benefit from the opportunity to provide medical care to a diverse population of patients, having access to a vast array of ancillary and support services in the Public Health Department's facility, and enhancing their medical skills under the supervision of experienced physicians.

The community benefits from this historical partnership and from the opportunity to receive medical care from recently graduated medical students who have learned current perspectives and techniques in medicine.

No compensation is included under this Agreement.

Performance Measure:

The Performance Measures established in 2013 remain in effect. Santa Barbara Cottage Health Hospital agrees to practice effective and high quality medicine and agrees to establish and define measurements of quality indicators beyond those currently in place in an effort to meet contemporary quality measurements and indicators of outcomes, which can be monitored and reported. The following measures have also been implemented and successfully maintained:

- An absence of tort claims against MDs and clinic;
- Levels of Resident participation in specialty clinics at Santa Barbara Health Care Center as specified in Exhibit A of the Agreement.

Cottage continues to effectively meet these essential measures. The measures will continue through June 30, 2019 as they represent essential milestones and attention to them ensures ongoing success of the program

Fiscal and Facilities Impacts:

Budgeted: Yes

This agreement provides no compensation to either party as a result of this collaboration. Any costs incurred by the County as a result of this decades-old relationship are reimbursed through patient service fees and public program revenues.

Key Contract Risks:

This contract is at medium risk:

Cottage Hospital was incorporated in 1888 and is the largest private teaching hospital on the California coast between Los Angeles and the Bay Area. Financially, Cottage is the main provider of acute health care services in the southern Santa Barbara region. Cottage has an AA rating from Fitch, an international credit rating agency based out of New York City and London. The Fitch rating is a result of strong operating cash flow; positive revenue growth from increased volume; favorable contracting; and continued cost management. Santa Barbara Cottage Hospital provides residents with professional liability coverage while the residents are involved in training rotations outside of Santa Barbara Cottage Hospital.

This agreement has no costs associated, however without the agreement, in order to provide the same level of patient care, the PHD would need to hire 1.25 FTE physicians in internal medicine; contract with an additional surgeon for eight hours per week and negotiate an agreement for hospital coverage with a hospitalist group.

Staffing Impacts:

No additional staffing will be added or reduced as a result of this action.

Special Instructions:

Please execute two (2) original Agreements with Santa Barbara Cottage Hospital and retain one (1) original Agreement and one (1) Minute Order for pick-up by the department. Please email phdcu@sbcphd.org when available for pickup.

Attachments:

Second Amendment to Agreement between Santa Barbara County and Santa Barbara Cottage Hospital for Hospitalist and Outpatient Professional Services.

First Amendment and original Agreement between Santa Barbara County and Santa Barbara Cottage Hospital for Hospitalist and Outpatient Professional Services.

Authored by:

Dana Gamble, Assistant Deputy Director, Primary Care & Family Health Division 681-5171

cc: