



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: CEO/HR
Department No.: 064
For Agenda Of: August 10, 2010
Placement: Administrative
Estimated Time:
Continued Item:
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Susan Paul, Assistant CEO/HR Director 568-2815

Contact Joe Pisano, Employee Relations Manager 568-2839

SUBJECT: Lompoc Hospitalist Program

County Counsel Concurrence

As to form: Select_Concurrence

Other Concurrence: Select_Other

As to form: Select_Concurrence

Auditor-Controller Concurrence

As to form: Select_Concurrence

Recommended Actions:

1. That the Board of Supervisors approve a side letter agreement with the Union of American Physicians and Dentists (UAPD) for the Public Health Department (PHD) to contract out hospitalist services in Lompoc.

Background:

Currently three PHD doctors who are represented by UAPD, provide services to PHD patients who require hospital services in Lompoc. The Department has analyzed this arrangement and concluded it can provide better services to the public at a lower cost by contracting out these services. Staff has negotiated a side letter agreement with the UAPD to enable this. The recommended action approves the side letter agreement, which is attached.

In order to mitigate the financial impact on the PHD physicians currently providing these services, the side letter includes the following provisions:

- For affected doctors, PHD will facilitate providing them the opportunity to work on contract for EMCare, the company that will provide hospitalist services in Lompoc;
- Each of the three UAPD members affected (in Lompoc) will continue to receive a 5% special duty allowance for hospital practice for approximately 12 months (26 Pay Periods); and
- Each of the three affected UAPD members will be paid \$1500 per month for approximately six months (13 Pay Periods) to mitigate the impact of the change.

Fiscal Impact:

There would be an additional one-time cost of \$27,000: \$9,000 in lump sum payments to each of three doctors. The \$27,000 would be more than offset by reduced costs for the hospitalist services under a contract with EMCare and by increased revenue from having the doctors see more patients in the Lompoc clinic.

There is no additional cost associated with continuing to pay the three doctors the 5% special duty allowance; however, there will be additional annual savings of approximately \$40,000 once the allowance is eliminated. The County's cost of contracting with EMCare for hospitalist services is estimated to be between \$10,000 and \$20,000 annually; the company receives most of its revenue by Medicare, Medi-Cal, and other third party billing directly for services its contract physicians provide.

The PHD estimates that there would be an approximate annual savings of at least \$119,500 in the first year and at least \$186,500 annually thereafter, once the special duty allowances and one-time lump sum payments to the three affected doctors cease.

Attachments:

Side Letter Agreement with UAPD re: Hospitalist Services in Lompoc

Authored by: Joseph Pisano, Employee Relations Manager

cc: Michael F. Brown, County Executive Officer
Robert Geis, Auditor-Controller
Dennis Marshall, County Counsel
Takashi Wada, MD, MPH, Public Health Director/Health Officer
Robert MacLeod, Chief of Employee Relations

July 15, 2010

Mr. David Trujillo
Union of American Physicians and Dentists
5777 West Century Boulevard, Suite 880
Los Angeles, CA 90045-7413

Re: Side Letter Agreement on Impacts of Lompoc Hospitalist Program

Dear Mr. Trujillo:

This letter confirms a mutually acceptable resolution between Santa Barbara County (County) and the Union of American Physicians and Dentists (UAPD) in the matter of contracting out hospital-based care in Lompoc.

The Santa Barbara County Public Health Department (PHD) will begin contracting out hospitalist services in Lompoc effective as soon as practicable after the Board of Supervisors approves this agreement.

In order to help minimize the impact of this action on the doctors currently providing this service, the County and UAPD agree that the following steps will be taken:

- PHD will facilitate the affected doctors being given the opportunity to work on contract for EMCare, the provider of hospitalist services in Lompoc,
- Each of the three UAPD members affected in Lompoc will continue to receive a 5% special duty allowance for hospital practice for approximately 12 months (26 Pay Periods), and
- Each of the three UAPD members affected in Lompoc will be paid \$1500 per month for approximately six months (13 Pay Periods) to mitigate the impact of the change.

In consideration of these measures, UAPD agrees to refrain from pursuing any administrative or legal challenges against the County or the PHD for contracting out hospital based care in Lompoc.


David Trujillo
UAPD


Susan Paul
County of Santa Barbara