

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



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

**Agenda Number:**

**Prepared on:** 5/25/06  
**Department:** Public Health Department  
**Budget Unit:** 041  
**Agenda Date:** 6/6/06  
**Placement:** Administrative  
**Estimate Time:** N/A  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Michele Mickiewicz, MPH, Interim Director  
Public Health Department

**STAFF CONTACT:** Elizabeth Snyder  
Primary Care and Family Health Division  
Public Health Department 681-5252

**SUBJECT:** Agreement with Cottage Hospital for Graduate Medical Education Services.

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**Recommendation(s):**

That the Board of Supervisors:

Approve and authorize the Chair to execute an Agreement with Santa Barbara Cottage Hospital for Graduate Medical Education Services for the period July 1, 2005, to June 30, 2007, in the amount of \$908,820 annually for two fiscal years.

**Alignment with Board Strategic Plan:**

The recommendation is primarily aligned with Goal II: Community Health and Safety - Ensure a Safe and Healthy Community in Which to Live, Work, and Visit.

**Executive Summary and Discussion:**

For more than 75 years the County and Cottage Hospital have jointly and cooperatively operated the Graduate Medical Education (GME) program. The GME program provides training for postgraduate physician Residents in General Surgery and Internal Medicine. Cottage Hospital provides the inpatient experience and the County provides the ambulatory/specialty care training.

The Graduate Medical Education program provides Residents to staff Primary Care, Internal Medicine, Surgery, and specialty clinics at the County Health Clinic in Santa Barbara at the Calle Real location. The GME program provides Residents for approximately 40 Primary Care clinic hours per week, 60–100 Internal Medicine clinic hours per week, 8 Surgery clinic hours per week, and varied specialty clinic hours to meet the medical care needs of the County's indigent/underserved population. In addition, Residents provide 24-hour a day hospital-based services for the South County's Medicare, Medi-Cal, Self Pay/TSAC and Medically Indigent Adults (MIA) at Cottage Hospital.

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This Agreement covers only the physician component of hospital-based service. Cottage Hospital is paid separately for MIA hospital charges at its prevailing Santa Barbara Regional Health Authority per-diem rate.

The amount of the agreement will increase annually based upon the percentage cost of living allowance (COLA) increase that your board grants to represented SEIU 620 County employees.

This agreement is being presented some months after its inception because both parties agreed to update the contract to meet new regulatory requirements and to present it in a more current and contemporary manner. More importantly, both parties have diligently worked to develop Recurring Performance Measures, Customer and Physician Satisfaction surveys, and Contractor obligations that support increased quality outcomes. The contract was drafted in May 2005 and negotiations regarding the new version of the contract continued until March 2006. The vendor signature was secured on March 8, 2006.

This matter was before the Board on April 4, 2006. The item was continued and staff met with the administrators of Cottage Health Systems, Marian Medical Center and Lompoc Healthcare District hospitals. During these meetings a mutual understanding and agreement was reached as to the value of the GME contract.

**Mandates and Service Levels:**

This is a not a mandated program, however, the agreement does assist the County in meeting its statutory obligations for inpatient acute medical care. There is no change in programs or service level.

**Fiscal and Facilities Impacts:**

For Fiscal Year FY 05-06, the General Fund support for this Agreement is approximately \$391,000. In addition, the Public Health Department allocates \$195,000 of State Realignment dollars to fund this Agreement. The funding balance of \$322,820 to bring the total to \$908,820, comes from Medi-Cal, Medicare, other third party payors, and self-pay payments. This amount is part of the Public Health Department's FY 05-06 Adopted Budget and can be found in the County's Operating Plan document on page D-186 in the Calle Real Clinics cost center.

For Fiscal Year FY 06-07, the General Fund support for this Agreement is approximately \$391,000. In addition, the Public Health Department allocates \$195,000 of State Realignment dollars to fund this Agreement. After applying approximately \$322,820 that comes from Medi-Cal, Medicare, other third party payors, and self-pay payments, the funding balance of \$31,809 to bring the total to \$940,629, must come from the department's designated reserves because of capped or limited other funding sources. This amount has been submitted as part of the Public Health Department's FY 06-07 Recommended Budget.

This action will not result in a need for any additional facilities.

**Special Instructions:**

Please execute three (3) originals and return two (2) originals along with a copy of the minute order to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110 **Attn: Margaret Granger (805) 681 5367.**

**Concurrence:**

Not Applicable.