

**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 2, 2013
Placement:	Administrative
Estimated Tme:	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: Dan Reid, Assistant Deputy Director 681-5173

SUBJECT: First 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 and authorize the Chair to execute the First 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, 2013 through June 30, 2016 in an amount not to exceed \$391,342.
- b) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(b)(3), since it can be seen with certainty that there is no possibility that the activities may have a significant effect on the environment.

Summary Text:

This item is on the agenda to execute a First Amendment to the Agreement with Santa Barbara Cottage Hospital to provide hospitalist and outpatient professional services at the Santa Barbara Health Care Center and in Santa Barbara Cottage Hospital.

The Public Health Department (PHD), in accordance with State mandates, provides medical care to many community individuals who would otherwise not be able to access the local health care system. Physicians provide primary medical care and perform administrative duties to ensure that the County fulfills those mandated services. Physicians, along with other professionals, also provide primary and specialty medical care to ensure that the County fulfills the mandated services. PHD provides more than 110,000 annual outpatient visits in its Health Care Centers countywide.

This First Amendment continues the provision of professional hospitalist services at Santa Barbara Cottage Hospital so that hospital admissions and care for PHD patients can be properly directed by physicians specially trained in hospital operations. Santa Barbara Cottage Hospital employs Residents to perform these hospitalist services for PHD patients in the South County. In order to ensure the continuity of care, the same Residents who provide care in the hospital also provide follow-up and outpatient services to their PHD patients at the Santa Barbara Health Care Center. This Agreement covers the Residents' activities for both the Hospitalist and Outpatient clinic services. There are approximately 400 County patients who are hospitalized at Santa Barbara Cottage Hospital (1500 hospital days) and 3,000 outpatient visits at the Santa Barbara Health Care Center each year.

Santa Barbara Cottage Hospital shall be paid a total annual amount not to exceed \$391,342 for Fiscal Year 2013-14. Compensation for hospitalist services shall only be for the period of July 1, 2013 through December 31, 2013. There is no compensation provided by the County for services performed under this Agreement by Cottage in FY 2014-15 and FY 2015-16.

Background

PHD has enjoyed a successful history with Santa Barbara Cottage Hospital for the provision of these services. The quality and commitment from the Residents and their attending supervisors coupled with their compassion to serve the uninsured and underserved have produced quality outcomes for the County's most vulnerable populations. Santa Barbara Cottage Hospital and PHD value this partnership and, because of the changes and new opportunities provided by the benefit expansion sections of the Affordable Care Act (ACA), have committed to reducing and phasing out County compensation for this partnership starting in Fiscal Year 2013-14. No compensation is included under this Agreement starting in FY 2014-2015 and through its remaining term.

Performance Measure:

Santa Barbara Cottage Health Hospital has agreed 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 been implemented:

- 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.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 338,119.00	\$ -	
Federal	\$ 28,177.00	\$ -	
Fees	\$ 25,046.00	\$ -	
Other:			
Total	\$ 391,342.00	\$ -	\$ -

The costs for these physician services are largely reimbursed from State Realignment funding for services provided to the uninsured and those that qualify for the Medically Indigent Adult (MIA) program and partially from the State and Federal governments as a result of the County being a Federally Qualified Health Center (FQHC) providing services for Medi-Cal and Medicare patients. Because of funding reductions anticipated in State Realignment funding, compensation to Santa Barbara Cottage Hospital will continue only through FY 2013-14 and will end in FY 2014-15, with the benefit expansion provisions anticipated as a result of the Affordable Care Act.

Special Instructions:

Please email one executed original Agreement and one Minute Order to PHD Contracts Unit at 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110, Attn: Rose Davis.

Attachments:

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

Authored by:

Dan Reid, Assistant Deputy Director, Primary Care & Family Health Division 681-5173