



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 Dept.
Department No.: 041
For Agenda Of: April 01, 2014
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: Daniel Reid, Interim Deputy Director, 681-5173

SUBJECT: Fifth Amendment to Agreement with Central Coast Inpatient Consultants, Inc.

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors consider the following recommendations:

- A) Approve and authorize the Chair to execute the attached Fifth Amendment to the Agreement with Central Coast Inpatient Consultants, Inc., (a local vendor) for hospitalist services, to extend the service term from April 1 – December 31, 2014 and to increase the contract amount by \$81,000 for a total contract amount not to exceed \$198,000 through December 31, 2014.
- B) Determine that these activities are exempt from California Environmental Quality Act review per CEQA Guideline Section 15061(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 Fifth Amendment to the existing Board Contract with Central Coast Inpatients Consulting, Inc. (CCIC) for hospitalist services performed at Dignity Health Marian Regional Medical Center. Approval of this Fifth Amendment will allow the Public Health Department (PHD) to continue its focus on the delivery of ambulatory care for the Santa Maria patients through the end of December 2014. This Amendment provides for no change from the previous monthly payment of \$13,000 to CCIC through the end of the current fiscal year (June 30, 2014) and then reduces the payment amount to \$7,000 monthly through the end of calendar year 2014 (December 31, 2014). With the extension of term, this increases the maximum amount of the agreement by \$81,000 for the nine

month extension (\$39,000 in Fiscal Year 2013/2014 and \$42,000 for the six months of Fiscal Year 2014/2015) to the contract period. After this period, no additional compensation is considered as the majority of County patients needing this hospital care will be eligible for expanded health care coverage under the Affordable Care Act.

Background:

Your Board approved the original two-year contract with CCIC on June 16, 2009 at \$156,000 annually (\$13,000 per month). Subsequent First through Fourth Amendments, at the same rate, extended the Agreement through its current term of March 31, 2014. This Fifth Amendment maintains the same monthly rate through the end of the current fiscal year and reduces this monthly rate to \$7,000 from July through the end of December 2014. The enactment of the Affordable Care Act will establish a third party payer source for many of the previous indigent or self-pay County patients for hospitalist services. Unfortunately, due to implementation delays at the State and Federal level with the Affordable Care Act registration process, many PHD patients that qualify for the Affordable Care Act coverage will not be enrolled with this coverage, either through PHD or Dignity Health Marian Regional Medical Center enrollment efforts, until sometime in 2014 and therefore additional compensation for hospitalist services is necessary through the end of 2014 (December 31, 2014).

Dignity Health Marian Regional Medical Center, located at 1400 E. Church Street in Santa Maria began its hospitalist program several years ago to provide local physicians with an alternative for caring for their patients in an inpatient setting. The increased emphasis on improving quality and patient safety in hospitals, combined with growing pressure to reduce costs, has led to an expansion in the number of physicians who work solely in hospitals throughout the country. Today, approximately 12,000 physicians practice hospital medicine, making it the fastest growing medical specialty in the country, according to the Society of Hospital Medicine. Proponents of this model argue that physicians who constantly care for acutely ill patients are better equipped to identify problems, create treatment plans and move patients through the hospital more quickly.

Key Contract Risks

PHD has had a positive and productive relationship with CCIC since 2009 and is confident of CCIC's abilities to continue providing hospitalist services in the same ethical and professional manner moving forward through December 2014. Potential risks are further mitigated by the very short time frame for this amendment.

Through this Agreement the County is providing for professional liability coverage (medical malpractice coverage). This element has been in place for the last two years of the Agreement with no claims against this coverage.

Performance Measure:

The Agreement includes a focus on Performance Measures such as: (1) patient centered care and appreciation of its value in improving patient safety and satisfaction; (2) ability to apply the results of validated outcome studies to inpatient practice; (3) promotion of new practices, guidelines and technology as supported by best available evidence; and (4) collaborations to improve patient outcomes and prevent re-admissions.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized</u> <u>On-going Cost:</u>	<u>Next FY Costs</u>
General Fund			
State	\$ -	\$ -	
Federal	\$ -	\$ -	
Fees	\$ -	\$ -	
Other: Realignment	\$ 156,000.00		\$ 42,000.00
Total	\$ 156,000.00	\$ -	\$ 42,000.00

This action will not increase the use of General Fund resources by PHD. In addition, no increase in Departmental indirect costs or use of A87 Plan County overhead will be incurred. The amounts reflected in the proposed contract of \$156,000 were included and funded as part of the Department’s FY 2013-14 Adopted Budget. Furthermore, the Department will identify appropriation and funding in its 2014-2015 Recommended Budget to account for the \$42,000 through December 31, 2014. This action will not result in the need for any additional facilities.

Staffing Impacts:

<u>Legal Positions:</u>	<u>FTEs:</u>
0	0

Special Instructions:

Please retain one executed original Amendment and one minute order for pickup by PHD. Please email PHDCU@sbcpd.org when available.

Attachments:

Fifth Amendment to Professional Services Agreement with Central Coast Inpatient Consultants, Inc.

Authored by:

Daniel Reid, Assistant Deputy Director, 681-5173.