



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: January 14, 2013  
Placement: Administrative  
Estimated Tme: N/A  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department Takashi Wada, MD, MPH, Director and Health Officer  
Director Public Health Department  
Contact Info: Daniel Reid, Assistant Deputy Director, 681-5119

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

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**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 Fourth Amendment to the Agreement with Central Coast Inpatient Consultants, Inc., (a local vendor) for hospitalist services extending the current term through March 31, 2014, for a total contract amount of \$117,000.
- 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 Fourth 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 Fourth 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 March 2014. This Amendment provides for no change in the monthly payment of \$13,000 to CCIC but merely increases the maximum amount of the agreement to \$117,000 for the three month extension to the contract period.

**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, Second and Third Amendments, at the same rate, extended the Agreement through its current term of December 31, 2013. This Fourth Amendment maintains the same monthly rate but is on a shorter term due to the enactment of the Affordable Care Act which will establish a third party payer source for previous Medically Indigent Adult patients for hospitalist services. Unfortunately, due to implementation problems 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 until the first quarter of 2014 and therefore these hospitalist services will require compensation through the end of the first quarter of 2014 (March 31, 2014).

Dignity Health Marian Regional Medical Center 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 make them better equipped to identify problems, create treatment plans and move patients through the hospital more quickly.

**Contract Risk Assessment**

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 March 2014. Potential risks are further mitigated by the very short time frame for this amendment.

**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 On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ -	\$ -	
Federal	\$ -	\$ -	
Fees	\$ -	\$ -	
Other: Realignment	\$ 117,000.00		
Total	\$ 117,000.00	\$ -	\$ -

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 \$117,000 were included and funded as part of the Department's FY 2013-14 Recommended Budget. This action will not result in the need for any additional facilities.

**Staffing Impacts:**

**Legal Positions:**

0

**FTEs:**

0

**Special Instructions:**

Please retain one executed original Amendment and one minute order for pickup by PHD. Please email [PHDCU@sbcphd.org](mailto:PHDCU@sbcphd.org) when available.

**Attachments:**

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

**Authored by:**

Daniel Reid, Assistant Deputy Director, 681-5173.