



Board Agenda Item 40

DATE: October 31, 2017

TO: Board of Supervisors

SUBMITTED BY: David Pomaville, Director, Department of Public Health

SUBJECT: Amendments to Agreements with Community Medical Centers and University Faculty Associates, Inc.

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute Amendment I to Agreement No. 14-676 with Community Medical Centers, to extend the term of the existing agreement to provide care to eligible Medically Indigent Services Program patients by one year from December 1, 2017 to November 30, 2018, with an optional 12-month extension and no increase in the maximum of \$562,500.**
2. **Approve and authorize the Chairman to execute Amendment I to Agreement No. 14-677 with University Faculty Associates, Inc., to extend the term of the existing agreement to provide medical services to eligible Medically Indigent Services Program patients by one year from December 1, 2017 to November 30, 2018, with an optional 12-month extension and no increase in the maximum of \$187,500.**

Approval of the recommended actions will permit continuation of the agreements with Community Medical Centers (CMC) and University Faculty Associates, Inc. (UFA) for two 12-month intervals. The agreements provide care for eligible Medically Indigent Services Program (MISP) patients. Both agreements are funded with Health Realignment, with no Net County Cost.

ALTERNATIVE ACTION(S):

No viable options are available. Should your Board not approve the recommended actions, the agreements will terminate on November 30, 2017, but according to obligations under the Welfare and Institutions Code, section 17000, et seq. the County would remain liable for the medical care and concomitant costs for eligible MISP patients.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. There is no change in the maximum compensation (\$15,390,929) of the agreements with CMC and UFA, \$11,543,197 and \$3,847,732, respectively. The two 12-month extensions total \$1,500,000 (\$1,125,000 and \$375,000, respectively). Sufficient appropriations and estimated revenues are included in the County Medical Services Org 5240 FY 2017-18 Adopted Budget and will be included in future budget requests for the duration of the terms. The cost of indigent medical care services will be funded with Health Realignment.

DISCUSSION:

Since 1996, CMC and Central California Faculty Medical Group (CCFMG) have been the County's main providers of medical services for the MISP population. Agreement Nos. 14-676 with CMC and 14-677 with CCFMG were approved by your Board on November 4, 2014. On August 11, 2015, through Amendment I of Agreement No. 14-677, your Board approved the assignment of agreement from CCFMG to UFA. The agreements involve comprehensive hospital services, emergency care, outpatient care, pharmacy as well as specialty and primary professional medical care.

Both agreements include a three-year term (12/1/2014 - 11/30/2017) with the option to extend the term for two additional 12-month periods. Neither agreement contains language delegating authority to extend the term of the agreement to the department head, or designee. The Department requests your Board approve the continuation of both contracts for December 1, 2017 through November 30, 2018, and delegate the authority to extend the term of both agreements to the Department's Director, or designee for the fifth year of both agreements, December 1, 2018 through November 30, 2019.

It is likely that the MISP patients expected to participate are instead receiving care through the Affordable Care Act. Should the projected cost for contracted services exceed or vary significantly from the maximum contract amount, staff will return to your Board to request amendments to the agreements, as needed.

REFERENCE MATERIAL:

BAI #53, August 11, 2015, Amendment to Agreement No. 14-677
BAI #35, November 4, 2014 - Agreement Nos. 14-676, 14-677

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment to Agreement No. 14-676 with CMC
On file with Clerk - Amendment to Agreement No. 14-677 with UFA

CAO ANALYST:

Sonia De La Rosa