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June 06, 2018

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO THE MEDICAL SCHOOL AFFILIATION AGREEMENT BETWEEN THE COUNTY OF LOS ANGELES AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA (2<sup>nd</sup> AND 5<sup>th</sup> SUPERVISORIAL DISTRICTS) (3 VOTES)**

**SUBJECT**

Request for the Board to make a finding that contracting for the provision of physician services can be performed more feasibly by contracting with the private sector, and approval to amend the Affiliation Agreement with the Regents of the University of California to add additional purchased services for Fiscal Year 2018-19 and increase the annual maximum obligation of the Agreement by \$2,811,500.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Make a finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) at Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), as described herein, can be performed more feasibly by contracting with the private sector.
2. Approve and instruct the Chair of the Board of Supervisors to execute Amendment No. 12 to Agreement No.76850 with the Regents of the University of California, on behalf of its Los Angeles Campus and School of Medicine (University), for the provision of physician medical education and patient care services at H-UCLA MC and OV-UCLA MC, effective upon Board approval, to: a) increase the number of County residents enrolled in various County training programs at H-UCLA MC and OV-UCLA MC; and b) increase the maximum obligation accordingly from \$31,474,000 to \$34,285,500 for the period July 1, 2018 through June 30, 2019.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 June 6, 2018

CELIA ZAVALA  
ACTING EXECUTIVE OFFICER

## **PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION**

Approval of the first recommendation continues prior Board findings that contracting for the provision of physician services (trainee and non-trainee) under this Amendment at H-UCLA MC and OV-UCLA MC can still be performed more feasibly by contracting with the private sector.

Approval of the second recommendation will allow the Chair to execute an Amendment (Exhibit I) to this Agreement with the University to increase the physician medical education and patient care services at H-UCLA MC and OV-UCLA MC for Fiscal Year (FY) 2018-19. The net increase to staffing for FY 2018-19 at H-UCLA MC is 2.0 Full-time Equivalent (FTE), and at OV-UCLA MC is 3.0 FTE. The recommended amendment also allows for a number of resident staffing adjustments to support the needs of various departments at the hospitals as described below.

### **H-UCLA MC**

As mentioned above, H-UCLA MC plans to add the following County and University housestaff (net of 2.0 FTE) in various County training programs accredited by the Accreditation Council for Graduate Medical Education (ACGME) and new patient care purchased services, as described below:

#### **County Training Programs**

**Orthopedic Surgery:** Provides for the advancement of a Year 3 resident, which is part of the Orthopedic Surgery increase in the complement of residents from 4.0 to 5.0 FTEs in each of the five years of the training programs, as approved by the Orthopedic Residency Review Committee of the ACGME. This is to meet the demonstrated increased demand for Orthopedic services in the operating room, inpatient wards, and outpatient clinics. The addition of 1.0 FTE for Year 3 will help to improve the quality of Orthopedic education and surgical training in this large residency training program. Since this is a County resident, there is no financial impact to the Affiliation Agreement.

**Anesthesiology:** Provides for the advancement of two Year 3 residents, which is part of the Anesthesiology increase in the complement of residents from 5.0 to 7.0 FTEs in each of the four years of the training program. This is to improve the quality of anesthesia care and reduce dependency on contracted Certified Registered Nurse Anesthetist (CRNA) registry providers. The Year 3 residents will be funded by deleting two clerical FTEs. Since these residents are County housestaff, there is no cost to the Affiliation Agreement.

**Internal Medicine (IM) – Gastroenterology (GI):** H-UCLA MC proposes to reclassify 2.0 IM-GI Advanced Fellowship FTEs to accurately reflect them under Non-ACGME Accredited County FTEs (currently under ACGME Accredited University).

#### University Training Programs

Internal Medicine (IM) – Gastroenterology (GI) and IM – Rheumatology: H-UCLA MC proposes to reclassify 2.0 Transitional Year 1 residents into 1.0 IM-GI Year 6 Fellow and 1.0 IM-Rheumatology Year 5 Fellow. These fellows will be University paid FTEs to achieve salary parity with the University counterparts. H-UCLA MC will fund the cost of \$172,000 for these residents by eliminating 2.0 Transitional Year 1 resident FTEs within existing resources.

Surgery – Urology: H-UCLA MC proposes to increase the number of University residents by 1.0 Year 2 resident to meet increased clinical volume. Funding of \$75,000 annually for this resident is realigned from the Medical School Affiliation Agreement Faculty Recruitment/Retention Augmentation budget line.

#### Purchased Services

Cardiac Electrophysiology (EP): H-UCLA MC proposes to add Cardiac EP patient care purchased services of \$220,000 annually. This will enable H-UCLA MC obtain high-quality and consistent Cardiac EP services from the University, a regional leader in the provision of this expensive and highly advanced procedural service. H-UCLA MC will fund the increase within existing resources.

Cardio-Thoracic: H-UCLA MC proposes to add Cardio-Thoracic patient care purchased services of \$400,000 annually that will enable H-UCLA MC's Level I Trauma Center to obtain high-quality and consistent surgery services. H-UCLA MC's one Cardio-Thoracic surgeon cannot meet the 24/7 needs of a Level I Trauma Center. H-UCLA MC will fund the increase within existing resources.

Neurosurgery: H-UCLA MC proposes to add Neurosurgery resident on-call purchased services of \$280,000 annually that will enable H-UCLA MC to meet the enormous nightly demand for high-acuity and complex neurosurgical services by physicians in neurosurgery training. Currently, mid-level practitioners (i.e., Physician Assistants) provide the in-house first call during overnight shifts. H-UCLA MC will fund the increase within existing resources.

Rheumatology: H-UCLA MC proposes to add Rheumatology patient care purchased services of \$81,500 annually to provide transitional coverage by the University. H-UCLA MC will fund the increase within existing resources.

Pediatric Surgery: H-UCLA MC proposes to add Pediatric Surgery patient care purchased services of \$225,000 annually that will enable H-UCLA MC to meet the nightly and weekend coverage of the pediatric surgery service. H-UCLA MC's one Pediatric surgeon cannot meet the 24/7 needs of a Level I Trauma Center. H-UCLA MC will fund the increase within existing resources.

### **OV-UCLA MC**

In FY 2017-18 OV-UCLA MC added a Primary Care Residency Program accredited by the ACGME and added funding for the inaugural cohort of three residents. In FY 2018-19, the Program will continue the planned expansion of an additional 3 residents. The provision of salaries and benefits for these additional resident physicians will increase the total cost of purchased services by \$220,000 in FY 2018-19. OV-UCLA MC will fund the increase through additional revenue generated by this program. The program expansion plan will also include an additional 3.0 FTEs in FY 2019-20, for a cumulative total of 9.0 additional FTEs.

### **Increase in Housestaff Salaries at OV-UCLA MC**

Based upon the recommendation of the Council of Teaching Hospitals (COTH), the University increased housestaff compensation levels (salaries and benefits) for resident physicians in FY 2017-18 and will similarly again increase housestaff compensation levels for resident physicians in FY 2018-19 by a cumulative total of \$986,000. These increases allow the University to achieve parity with national median housestaff salaries. The revised salary scale aims to ensure the University salaries remain competitive with national trends and that graduate medical education programs continue to attract qualified candidates. The COTH increase for FY 2017-18 of \$394,000 was funded by the University within the existing Affiliation Agreement for FY 2017-18 only. In FY 2018-19, this COTH increase plus another FY2018-19 COTH increase of \$592,000 will be funded by Department of Health Services (DHS) effective July 2018.

### **Housestaff Educational Incentive Payment**

Consistent with the medical campuses of the University of California, Harbor-UCLA Medical Center, and top-tier graduate medical education institutions throughout the country, Olive View proposes to offer the housestaff in its fully-sponsored ACGME training programs an educational incentive payment in the amount of \$123,000. This perquisite is intended to support the purchase of educational resources and training courses, or to defray the costs associated with obtaining medical licensure or relocating to Southern California. It is anticipated that this incentive will enhance the programs' ability to recruit highly-qualified candidates to GME programs based at OV-UCLA MC. The \$123,000 will be funded by existing resources effective July 2018.

### **Program Coordinator for Psychiatry Residency Program**

In anticipation of transitioning authority and oversight for the Psychiatry Residency Program from the Veterans Administration Sepulveda to OV-UCLA MC, additional funding is requested for FY 2018-19, to enable the recruitment of a qualified Program Coordinator to serve as the administrative lead for the OV-UCLA MC-based residency. The funding for the Psychiatry Residency Program of \$104,000 will be provided by Department of Mental Health effective July 2018.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions support “Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County Strategic Plan.

## **FISCAL IMPACT/FINANCING**

The County’s maximum obligation under the Affiliation Agreement will increase from \$31,474,000 to \$34,285,500 in FY 2018-19 for a total increase of \$2,811,500 (H-UCLA MC \$1,378,500 and OV-UCLA MC \$1,433,000). Funding for this Agreement will be requested in the DHS’ FY 2018-19 Supplemental Budget Request, and will be requested in future fiscal years as needed.

## **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

DHS entered into the current Agreement with UCLA for the period July 1, 2006 through June 30, 2011, with automatic annual extensions, unless either party serves notice of non-renewal to the other party.

The recommended Amendment includes the changes in FTEs for County and University training programs, the specific volume, and cost of academic purchased services. On June 6, 2017, the Board most recently made the finding as required by Los Angeles County Code section 2.121.420 that contracting for the provision of physician services (trainee and non-trainee) can be performed more feasibly by contracting with the private sector.

County Counsel has reviewed and approved Exhibit I as to form.

## **CONTRACTING PROCESS**

Given the nature and scope of the services provided by the University under the Agreement, as well as the historic relationship between the County and the University, DHS determined that it was not feasible to competitively bid this Agreement.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The Agreement will continue the provision of clinical and academic services at H-UCLA MC and OV-UCLA MC.

The Honorable Board of Supervisors  
June 06, 2018  
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Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christina R. Ghaly".

Christina R. Ghaly, M.D.  
Acting Director

CRG:ja

Enclosure (1)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

Contract No. 76850

**AFFILIATION AGREEMENT**

Amendment No. 12

THIS AMENDMENT is made and entered into this 6th day of June, 2018,

by and between

COUNTY OF LOS ANGELES  
(hereafter "County")

and

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF ITS LOS ANGELES CAMPUS AND SCHOOL OF MEDICINE (hereafter "University").

WHEREAS, reference is made to that certain document entitled "AFFILIATION AGREEMENT", dated July 1, 2006, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to increase the Agreement amount by \$2,811,500, not to exceed a total contract cost of \$34,285,500, and to provide for the other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by both parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services; and

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon date of Board approval.
2. Any reference in Amendment No. 10 to Exhibit 1-I.a-7, Exhibit 1-II.a-7, Exhibit 2-I.a-7, Exhibit 2-II.a-7, Addendum A-1.a-7, Addendum A-II.a-7, and

76850 Supplement No. 8





IN WITNESS WHEREOF, Contractor has executed this Amendment, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF ITS LOS ANGELES CAMPUS AND SCHOOL OF MEDICINE

By Jonathan R. Hiatt  
Name  
JONATHAN R. HIATT, M.D.  
Title  
VICE DEAN FOR FACULTY



COUNTY OF LOS ANGELES  
By Shirley Kuehl  
Chair, Board of Supervisors

ATTEST:  
Celia Zavala  
Acting Executive Officer  
Clerk of the Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

By Judith Heagy  
Deputy

CELIA ZAVALA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By Judith Heagy  
Deputy

APPROVED AS TO FORM:  
MARY C. WICKHAM  
County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

By Mary C. Wickham  
Principal Deputy County Counsel

# 22

JUN 06 2018

76850 Supplement No. 8

**EXHIBIT 1-I.a-8**

**County and University Training Programs - Coastal**

**1-I.1 ACGME-Accredited University Training Programs.** University Training Programs shall include the following ACGME-accredited training programs which are based at Ronald Reagan UCLA Medical Center, pursuant to this Agreement:

<b>Fiscal Year (FY):</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Internal Medicine – Gastroenterology	3.00	1.00
Internal Medicine – Rheumatology	1.00	1.00
Preventative Medicine Fellowship	4.00	4.00
Surgery – Neurosurgery	2.00	2.00
Surgery – Ophthalmology	6.00	6.00
Surgery – Otolaryngology (Head & Neck)	5.00	5.00
Surgery – Plastic	1.00	1.00
Surgery – Urology	2.00	3.00
<b>Subtotal</b>	<b>24.00</b>	<b>23.00</b>

**1-I.2 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County - Harbor-UCLA Medical Center, pursuant to this Agreement.

<b>Fiscal Year (FY):</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Anesthesiology	24.00	26.00
Anesthesiology/Trauma	1.00	1.00
Emergency Medicine	64.00	64.00
Emergency Medicine – Ultrasound	1.00	1.00
Family Practice	37.00	37.00
Family Medicine - Faculty Development	2.00	2.00
Family Medicine - Sports Medicine	1.00	1.00
Internal Medicine	66.00	64.00
Internal Medicine - Cardiology	15.00	15.00
Internal Medicine - Cardiology Interventional	3.00	3.00
Internal Medicine – Dermatology	5.00	5.00
Internal Medicine - Electrophysiology	2.00	2.00
Internal Medicine – Endocrinology	9.00	9.00
Internal Medicine - Advanced Interventional and Endosonography	2.00	2.00
Internal Medicine - Hematology/Oncology	13.00	13.00
Internal Medicine - Infectious Disease	4.00	4.00
Internal Medicine – Nephrology	7.00	7.00
Internal Medicine – Pulmonary	7.00	7.00
Neurology	12.00	12.00

**EXHIBIT 1-I.a-8**

	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Neurology – Child	3.00	3.00
Neurology - Neurophysiology/EEG	2.00	2.00
Obstetrics and Gynecology	20.00	20.00
OB/Gyn - Female Pelvic Reconstructive Surgery	3.00	3.00
Orthopedic Surgery	22.00	23.00
Pathology	16.00	16.00
Pediatrics	30.00	30.00
Pediatric Child Abuse	1.00	1.00
Pediatrics - Critical Care	6.00	6.00
Pediatrics – Endocrinology	3.00	3.00
Pediatrics – Gastroenterology	1.00	1.00
Pediatrics - Emergency Medicine	3.00	3.00
Pediatrics - Infectious Disease	3.00	3.00
Pediatrics - Medical Genetics	1.00	1.00
Pediatrics – Neonatal	8.00	8.00
Psychiatry	32.00	32.00
Psychiatry – Child	8.00	8.00
Radiology	24.00	24.00
Radiology - Body Imaging	2.00	2.00
Radiology - Breast Imaging	1.00	1.00
Radiology – Interventional	1.00	1.00
Radiology – Neuroradiology	1.00	1.00
Radiology – Nuclear	1.00	1.00
Surgery	49.00	51.00
Surgery - General Practice –Dental	4.00	4.00
Surgery - Oral and Maxillofacial Surgery	8.00	8.00
Surgery – Vascular	2.00	2.00
Transitional Year	3.00	1.00
<b>Subtotal</b>	<b>533.00</b>	<b>534.00</b>

**1-I.3 Non-ACGME-Accredited County Training Programs.** County Training Programs shall include the following non-ACGME-accredited training programs which are based at Los Angeles County - Harbor-UCLA Medical Center, pursuant to this Agreement:

Fiscal Year (FY):	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Internal Medicine - General	2.00	2.00
OB/Gyn - Maternal Fetal Medicine	3.00	3.00
OB/Gyn- Women’s Health	1.00	1.00
Orthopedic Surgery - Foot and Ankle	1.00	1.00
Gastroenterology – Advanced Fellowship		2.00
Health Services Clinical Scholar	2.00	2.00
<b>Subtotal</b>	<b><u>9.00</u></b>	<b>11.00</b>
<b>Grand Total</b>	<b><u>566.00</u></b>	<b><u>568.00</u></b>

**EXHIBIT 1-II.a-8**

**County and University Training Programs - Valley Care Cluster**

**1-II.1 ACGME-Accredited University Training Programs.** University Training Programs shall include the following ACGME-accredited training programs which are based at Ronald Reagan UCLA Medical Center, pursuant to this Agreement.

<b>Fiscal Year (FY):</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Anesthesiology	2.00	2.00
Emergency Medicine OV/UC	28.00	28.00
Family Medicine	4.00	4.00
Family Medicine - Mid-Valley	4.50	4.50
Internal Medicine - Cardiology	5.00	5.00
Internal Medicine - Dermatology	1.00	1.00
Internal Medicine - Gastroenterology	1.00	1.00
Internal Medicine - Infectious Disease	2.00	2.00
Internal Medicine - Pulmonary	3.00	3.00
Neurology	3.00	3.00
Obstetrics-Gynecology	14.00	14.00
Obstetrics-OV/UCGyn-Onc, UrolGyn	1.50	1.50
Ophthalmology	5.00	5.00
Pediatrics	11.00	11.00
<b>Primary Care</b>	<b>3.00</b>	<b>6.00</b>
Psychiatry *	18.00	18.00
Radiology	7.00	7.00
Surgery - General	7.00	7.00
Surgery - Head & Neck	3.00	3.00
Surgery - Plastic	2.50	2.50
Surgery - Ortho	4.50	4.50
Urology	3.00	3.00
Subtotal	<b><u>133.00</u></b>	<b><u>136.00</u></b>

\* See Paragraph A-II.3. Volume of Purchased Services.

**1-II.2 ACGME-Accredited County Training Programs.** County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – Olive View-UCLA Medical Center, pursuant to this Agreement:

<b>Fiscal Year (FY):</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Internal Medicine - General	79.75	79.75
Internal Medicine - Hematology/Oncology	11.00	11.00
Internal Medicine - Nephrology	5.00	5.00
Internal Medicine - Rheumatology	2.00	2.00
Internal Medicine – Sleep Medicine	1.00	1.00

**EXHIBIT 1-II.a-8**

**Subtotal** **98.75** **98.75**

**1-II.3 Non-Accredited County Training Programs.** County Training Programs shall include the following non-ACGME accredited training programs which are based at Los Angeles County-Olive View-UCLA Medical Center, pursuant to this Agreement:

<b>Fiscal Year (FY):</b>	<b>FY 17-18</b>	<b>FY 18-19</b>
	<b><u>FTEs</u></b>	<b><u>FTEs</u></b>
Pathology	0.50	0.50
<b>Grand Total</b>	<b><u>232.25</u></b>	<b><u>235.25</u></b>

**EXHIBIT 2-I.a-8**

**Coastal Cluster**

The following shall constitute the Coastal Cluster:

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

Torrance Health Center

Martin Luther King, Jr. Outpatient Center

Los Angeles County Public Health Department Service Locations  
(Preventative Medicine and Health Services Clinical Scholar Fellowships Only)

Los Angeles County Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)

Other Los Angeles County Department of Health Services Service Locations  
(Preventative Medicine and Health Services Clinical Scholar Fellowships Only)

The Primary County Facilities shall include those facilities within the Coastal Cluster and Los Angeles County which are so identified in Addendum A-I.a-8.

**EXHIBIT 2-II.a-8**

**Valley Care Cluster**

The following shall constitute the Valley Care Cluster:

Los Angeles County - Olive View-UCLA Medical Center

Los Angeles County – Olive View Urgent Care Center

Mid-Valley Comprehensive Health Center

Glendale Health Center

San Fernando Health Center

Los Angeles County Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)

The Primary County Facilities shall include those facilities within the Valley Care Cluster which are so identified in Addendum A-II.a-8.

**ADDENDUM A-I.a-8**

**Purchased Services - Coastal Cluster (including Harbor)**

**Fiscal Year (FY) 2018-19**

- A-I.1. General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-I.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.
- A-I.2. Fixed and Variable Costs.** The Parties agree that payment for Purchased Services should reflect the following variable costs: (a) program directors, (b) faculty members, (c) faculty trauma surgery, otolaryngology, anesthesia, pediatrics augmentation, cardiac electrophysiology, cardio-thoracic, neurosurgery, rheumatology and pediatric surgery, (d) faculty recruitment/retention augmentation (e) informatics and (f) radiologists. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities. The following UCLA and County fixed costs (including salary and benefits where applicable), which may vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Medhub/AmlOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.
- A-I.3. Volume of Purchased Services.** For FY 18-19, University shall provide Purchased Services as needed within the ranges set forth in this Addendum. In the event that County's needs fall outside of such ranges, the Parties may negotiate a different volume of services for specific line items; but as provided in § A-I.1, the fixed and variable rates set forth in § A-I.4 shall not vary during the course of the Contract Year.

Under §A-1.2, Faculty Members cost includes \$260,000 for faculty funded by the Department of Mental Health (DMH). The provision of these services beyond FY 18-19 is contingent upon continued funding provided by DMH. The County shall provide notice to the University at least 60 days prior to the start of any such Academic Year if there is a reduction or elimination of such DMH funding. The Parties agree that the provision of any such DMH-funded services shall not be subject to any DMH-specific documentation requirements

Under §A-1.2, the Public Health Preventative Medicine Fellowship is a two-year program that is jointly funded by the University, Department of Public Health and Department of Health Services. This fellowship program consists of two fellows per year. Exhibit 1-I.a.8 includes four Preventative Medicine FTEs for FY 18-19 that will cost \$314,000 annually. Section §A-1.2 includes two Health Services Clinical Scholars that are part of the University's National Clinical Scholars two-year leadership program that is jointly sponsored and funded by the University and Department of Health Services. Exhibit 1-I.a.8 includes two Health Services Clinical Scholars that will cost \$138,000 annually for Year 1 and \$143,000 annually for Year 2.

- A-I.4 Fixed, Unit and Total Payments.** During FY 18-19, County shall compensate University as follows (prices are rounded to the nearest \$500).



**ADDENDUM A-I.a-8**

<b><u>Variable Costs</u></b>	<b><u>FY 17-18 Total Price</u></b>	<b><u>FY18-19 Total Price</u></b>
Program Directors	\$2,240,000	\$2,240,000
Faculty Members	\$1,060,000	\$1,060,000
University Housestaff Salaries	\$1,490,500	\$1,737,500
Radiologists	\$ 678,000	\$ 678,000
Faculty Trauma Surgery, Otolaryngology, Anesthesia, Pediatrics Augmentation, Cardiac-Electrophysiology, Cardio-Thoracic, Neurosurgery, Rheumatology & Pediatric Surgery	\$2,534,000	\$3,740,500
Faculty Recruitment/Retention Augmentation	\$1,000,000	\$ 925,000
Informatics Program	\$ 359,000	\$ 359,000
<b>Total Variable Costs:</b>	<b>\$9,361,500</b>	<b>\$10,740,000</b>

<b><u>Fixed Costs</u></b>	<b><u>FY17-18 Total Price</u></b>	<b><u>FY18-19 Total Price</u></b>
Academic Infrastructure	\$1,070,000	\$ 1,070,000
Medhub/AmlOn	\$ 100,000	\$ 100,000
University Representative	\$ 34,000	\$ 34,000
GME Dean	\$ 41,000	\$ 41,000
Administrative Personnel	\$ 102,500	\$ 102,500
Associate Dean Harbor-UCLA		
<b>Total Fixed Costs:</b>	<b><u>\$1,347,500</u></b>	<b><u>\$ 1,347,500</u></b>

**Total Coastal Payment:** **\$10,709,000** **\$12,087,500**

**A-I.5 Intentionally Omitted.**

**A-I.6 Faculty Recruitment & Retention Fund.** Addendum A includes a faculty recruitment and retention fund in the amount of \$925,000 annually to assist in the recruiting of new faculty, sign-on bonuses, academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

## ADDENDUM A-I.a-8

**A-I.7 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Coastal Cluster:

Los Angeles County - Harbor-UCLA Medical Center

Harbor-UCLA Family Health Center

Long Beach Comprehensive Health Center

Bellflower Health Center

Wilmington Health Center

Torrance Health Center

Martin Luther King, Jr. Outpatient Center

Department of Public Health Service Locations  
(Preventative Medicine and Health Services Clinical Scholar Fellowships Only)

Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)

Other Department of Health Services Locations  
(Preventative Medicine and Health Services Clinical Scholar Fellowships Only)

**ADDENDUM A-II.a-8**

**Purchased Services - Valley Care Cluster (including Olive View)**

**Fiscal Year (FY) 2018-19**

**A-II.1 General.** Payment for Purchased Services will be calculated based on a combination of fixed and variable payments, as set forth in § A-II.4. In no event shall the fixed or variable rates or the payment methodology under this Addendum A be revised more frequently than every twelve (12) months.

**A-II.2 Fixed and Variable Costs.** The Parties agree that payment for Purchased Services should reflect the following variable costs: (a) program directors, (b) faculty members, (c) attendees at Mid-Valley Comprehensive Health Center Family Medicine, hospitalists, and (d) faculty recruitment/retention augmentation. Pursuant to § 2.5.2.2, County shall also reimburse University for its cost for any University Housestaff assigned to Primary County Facilities. The following UCLA and County fixed costs (including salary and benefits where applicable), which may vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Medhub/AmlOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

**A-II.3. Volume of Purchased Services.** For FY 18-19, University shall provide Purchased Services as needed within the ranges set forth in this Addendum. In the event that County's needs fall outside of such ranges, the Parties may negotiate a different volume of services for specific line items.

Under Paragraph 1-II.1, Exhibit 1-II.a-8, § 1.II.1, six of the 18 psychiatry FTEs are fully funded by the Department of Mental Health for services to be provided at the DMH Olive View Urgent Care Center. Notwithstanding the above paragraph, the provision of these additional FTEs for any period beyond FY 18-19 shall be contingent upon continued funding by DMH. The County shall provide notice to the University at least 60 days prior to the start of any such Academic Year if there is any anticipated reduction or elimination of such DMH funding. The total number of FTEs to be provided shall then be reduced accordingly.

Under Addendum A-II.a-8, Academic Infrastructure cost includes \$104,000 for a qualified Program Coordinator to serve as the administrative lead for the OVMC-UCLA MC-based residency. The funding the Psychiatry Residency Program coordinator will be provided by the Department of Mental Health (DMH).

**A.II.4 Fixed, Unit and Total Payments.** During FY 18-19, County shall compensate University as follows (all prices are rounded to the nearest \$500):

<u>Variable Costs</u>	<u>FY 17-18 Total Price</u>	<u>FY 18-19 Total Price</u>
Program Directors	\$ 658,000	\$ 658,000
Faculty Members	\$ 589,500	\$ 589,500

**ADDENDUM A-II.a-8**

<b>Attendings</b> (Mid Valley CHC, Family Care, 1.5 FTEs)	\$ 327,500	\$ 327,500
University Housestaff Salaries	\$ 16,396,000	\$ 17,725,000
Physicians (Hospitalist)	\$ 285,000	\$ 285,000
Physicians (Mid Valley CHC, Ortho, 0.09 FTE)	\$ 28,000	\$ 28,000
Faculty Recruitment/Retention Augmentation	\$ 568,000	\$ 568,000
<b>Total Variable Costs:</b>	<b>\$18,852,000</b>	<b>\$20,181,000</b>

<u>Fixed Costs</u>	<u>FY 17-18 Total Price</u>	<u>FY18-19 Total Price</u>
Academic Infrastructure	\$1,703,500	\$ 1,807,500
Medhub / AmlOn	\$ 35,000	\$ 35,000
University Representative	\$ 31,000	\$ 31,000
GME Dean	\$ 41,000	\$ 41,000
Administrative Personnel	\$ 102,500	\$ 102,500
<b>Total Fixed Costs:</b>	<b><u>\$1,913,000</u></b>	<b><u>\$ 2,017,000</u></b>

**Total Valley Care Payment: \$20,765,000 \$22,198,000**

**A-II.5 COTH Housestaff Salary Adjustment**

Based upon the recommendation of the Council of Teaching Hospitals (COTH), the University increased the housestaff compensation levels for resident physicians for FY 17-18 by \$394,000. For FY 18-19, the housestaff compensation levels for resident physicians is expected to increase by \$592,000, which is within the 5% delegated authority granted to the DHS Director to increase annual allocations for University housestaff salaries to address approved compensation increases. University and DHS agreed to fund the FY 17-18 COTH increase within the FY 17-18 contract budget for one year (in FY 17-18 only). Effective with FY 18-19 parties agree that the COTH increase will be funded by DHS for both FY 17-18 and FY 18-19, upon execution of an amendment to this Agreement by the parties.

**A-II.6 Primary Care Residency Program**

To meet clinical needs throughout the Department of Health Services, the University and the County of Los Angeles established a Primary Care Residency Program beginning in FY17-18. As an equal partnership between the Department of Health Services and the University, DHS will assume financial responsibility for salaries and benefits for half the complement, per the following schedule.

PGY-1: 3 (FY17-18)  
 PGY-2: 3 (FY18-19)  
 PGY-3: 3 (FY19-20)  
**Total: 9 FTEs**

### **ADDENDUM A-II.a-8**

In FY18-19, this will increase the total cost of purchased services by \$220,000. There will be a final increase in FY19-20 for the remaining 3 FTEs.

**A-II.7 Faculty Recruitment & Retention Augmentation.** Addendum A includes a faculty recruitment and retention fund in the amount of \$568,000 annually to assist in the recruiting of new faculty, sign-on bonuses academic advancement bonuses, and search firms, advertising and travel. To ensure accountability, the Facility Joint Planning Operations Committee will make all determinations regarding the use of this fund.

**A-II.8 Primary County Facilities.** The following facilities shall constitute the Primary County Facilities within County's Valley Care Cluster:

Los Angeles County -Olive View-UCLA Medical Center  
Los Angeles County – Olive View Urgent Care Center  
Mid-Valley Comprehensive Health Center  
Glendale Health Center  
San Fernando Health Center

Los Angeles County Department of Mental Health Service Locations  
(Only for Purchased Services funded by DMH)

**ADDENDUM A-III.a-8**

**Total Payments**

**Fiscal Year (FY) 2018-19**

	<b><u>FY 17-18</u></b>	<b><u>FY 18-19</u></b>
Coastal Purchased Services	\$10,709,000	\$12,087,500
Valley Care Purchased Services	\$20,765,000	\$22,198,000
<b>Total Payment</b>	<b>\$31,474,000</b>	<b>\$34,285,500</b>