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June 16, 2015

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

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 June 16, 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

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
(2nd AND 5th SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Approval of an Amendment to the Affiliation Agreement with the Regents of the University of California to add additional purchased services for Fiscal Year 2015-16, increase the maximum obligation of the Agreement by $663,000, and make a finding that contracting for the provision of physician services can be performed more feasibly by contracting with the private sector.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Mayor of the Board of Supervisors to execute Amendment No. 7 to Agreement No. H-702099 with the Regents of the University of California, on behalf of its Los Angeles Campus and Medical School (UCLA), for the provision of physician medical education and patient care services at Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), effective July 1, 2015, to add additional purchased services and increase the number of County residents for the Emergency Medicine resident training program at H-UCLA MC, and increase the maximum obligation from $28,781,000 to $29,444,000 for the period beginning July 1, 2015 through June 30, 2016.

2. 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 H-UCLA MC and OV-UCLA MC, as described herein, can be performed more feasibly by contracting with the private sector.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Mayor to execute the Amendment (Exhibit I) with UCLA to continue the provision of physician medical education and patient care services at H-UCLA MC and OV-UCLA MC for Fiscal Year (FY) 2015-16; and provide the additional services described below.

H-UCLA MC

Preventative Medicine Fellowship Program. On June 4, 2014, the Board approved a joint effort between the Department of Public Health (DPH) and Department of Health Services (DHS or Department) to begin a two-year Preventative Medicine Fellowship Program at H-UCLA MC. Candidates who are recruited into the program have strong clinical skills, serve County patients in DHS clinics, and work closely with the leadership in these clinical areas to improve the quality and accessibility of patient care services. The preventative medicine partnership will provide DPH and DHS with an opportunity to develop a pipeline of future health system leaders who could ultimately remain with either department in a long-term role to serve and support County initiatives and programs.

Beginning in FY 2015-16, the fellowship program will include a physician enrolled in Year 1 of the two-year program, while another physician will be advanced to Year 2. The total number of Full-Time Equivalents (FTE) in Fiscal Year (FY) 2015-16 will increase from 2.0 to 3.0 FTEs, whereby there will be a small transition period for a third fellow to be hired in June 2016, a month prior to the commencement of the next fellowship period, to allow the outgoing Year 2 fellow who will be concluding the program, to adequately transition and provide some guidance to the fellow succeeding him or her.

The annual cost of the fellowship program will increase from $150,000 to $163,000 in FY 2015-16. The additional $13,000 is needed to offset a $7,000 increase in the housestaff salary of a fellow advancing to Year 2 of the program, and $6,000 cost to recruit and hire a third fellow during the transition period in June 2016. The funding of the fellowship program is equally shared between DPH and DHS with the exception of the aforementioned early recruitment and hiring cost, which will be entirely funded by DHS.

Additional Purchased Services. H-UCLA MC currently employs full-time County physicians specializing in otolaryngology to diagnose, manage and treat County patients with Ear, Nose, and Throat (ENT) diseases and disorders, including cancers of the head and neck. Together, these specialists, who are also UCLA faculty members, provide coverage 24 hours/7 days a week, supervise otolaryngology residents during their rotations at H-UCLA MC, and split their time between H-UCLA MC and Ronald Reagan UCLA Medical Center.

H-UCLA MC has determined that it is no longer sustainable for a limited number of these specialists to consistently balance their expected 40 weekly hours while providing adequate resident supervision, ensuring around-the-clock clinical coverage, and splitting time between H-UCLA MC and UCLA Medical Center.. Consequently, the Department is proposing an alternative arrangement, whereby the UCLA Department of Otolaryngology will utilize its faculty physicians to provide coverage 24 hours/7 days a week and supervise otolaryngology residents at H-UCLA MC as opposed to utilizing County physicians to supervise residents.

The annual cost of the additional purchased services is $650,000, and is budget neutral. Funding will be provided by the deletion of two County budgeted positions, whereby the incumbents of the impacted positions will be hired as University employees.

Emergency Medicine. The Board previously approved H-UCLA's Surgery/Emergency Replacement Project to increase the hospital's capacity and ensure continued compliance with the accrediting organizations. Among other things, this project includes an expansion of H-UCLA's Emergency Medicine residency training program by increasing the length of the program from three to four-years, which can accommodate up to 16 residents during each of the four years. DHS will add 1.0 FTE third-year resident for this program. Since such residents are County housestaff, there is no cost to the Affiliation Agreement.

OV-UCLA MC

For FY 2015-16, UCLA shall continue services at OV-UCLA MC at the same levels and costs incurred in FY 2014-15.

Approval of the second 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.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness/Fiscal Sustainability of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County's maximum obligation under the Affiliation Agreement will increase from $28,781,000 to $29,444,000 in FY 2015-16. H-UCLA MC's $663,000 increase is funded by $3,500 from DPH and $659,500 from DHS. There is no increase for OV-UCLA MC. Funding for this Agreement will be requested in the DHS FY 2015-16 Final Changes Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS entered into the current Agreement with UCLA effective 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. A complete summary of the changes is shown on Attachments I and II.

On June 28, 2011, the Board 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) at H-UCLA MC and OV-UCLA MC can be performed more feasibly by contracting with the private sector.

CONTRACTING PROCESS

Given the nature and scope of the services provided by UCLA under the Agreement, as well as the historic relationship between the County and UCLA, the Department 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.

Respectfully submitted,

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

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

Attachment I

COST SUMMARIZED BY FACILITY

Fiscal Year 2015-16

The maximum County obligation under the amended Agreement in FY 2015-16 will be $29,444,000 for H-UCLA MC and OV-UCLA MC.

Facility	Current Agreement	Amended Agreement	Variance
H-UCLA MC	$9,514,000	$10,177,000	$663,000
OV-UCLA MC	$19,267,000	$19,267,000	$0
Total UCLA	$28,781,000	$29,444,000	$663,000

H-UCLA MC	
Description	**Program Cost**
University Housestaff – Preventative Medicine	$13,000
Otolaryngology Faculty Augmentation	$650,000
Gross Total H-UCLA MC	**$663,000**
Funding Sources:	
Department of Public Health	-$3,500
Department of Health Services	-$659,500
Net Total H-UCLA MC	**$0**

OV-UCLA MC	
Description	**Program Cost**
University Housestaff – Preventative Medicine	$0
Gross Total H-UCLA MC	**$0**
Funding Sources:	$0
Net Total H-UCLA MC	**$0**

Attachment II

COUNTY AND UNIVERSITY TRAINING PROGRAMS

Amendment Exhibit I lists the County and University training programs in place at H-UCLA MC and OV-UCLA MC. Changes to the training programs are as follows:

H-UCLA MC			
Description	**FY 2014-15 (FTE)**	**FY 2015-16 (FTE)**	**FTE Change**
FTE increases in ACGME Accredited County training programs:			
Emergency Medicine	47.00	48.0	1.00
Preventative Medicine	2.00	3.00	1.00
Sub-Total H-UCLA MC	49.00	51.00	2.00
FTE increases in Non-ACGME Accredited County training programs:	0	0	0
Sub-Total H-UCLA MC	0	0	0
Total H-UCLA MC	**49.00**	**51.00**	**2.00**

OV-UCLA MC			
Description	**FY 2014-15 (FTE)**	**FY 2015-16 (FTE)**	**FTE Change**
FTE increases in ACGME Accredited County training programs:	0	0	0
Sub-Total OV-UCLA MC	0	0	0
FTE increases in Non-ACGME Accredited County training programs:	0	0	0
Sub-Total OV-UCLA MC	0	0	0
Total OV-UCLA MC	**0**	**0**	**0**

EXHIBIT I

Contract No. 76850 (H-702099)

AFFILIATION AGREEMENT

Amendment No. 7

THIS AMENDMENT is made and entered into this 16th day of June, 2015,

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");

WHEREAS, it is the intent of the parties hereto to amend Agreement to increase the Agreement amount by $663,000, not to exceed a total contract cost of $29,444,000 and to provide for the other changes set forth herein;

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.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall become effective July 1, 2015.

2. Any reference in Amendment No. 6 to Exhibit 1-I.a-3, Exhibit 1-II.a-3, Exhibit 2-I.a-3, Exhibit 2-II.a-3, Addendum A-1.a-3, Addendum A-II.a-3, Addendum A-III.a-3 and Addendum A-IV.a-3 shall refer to the updated Exhibits and Addenda Exhibit 1-I.a-4,, Exhibit 1-II.a-4, Exhibit 2-I.a-4, Exhibit 2-II.a-4.

76850 Supplement No. 4

Addendum A-I.a-4, Addendum A-II.a-4, and Addendum A-III.a-4, as applicable, and shall be added to the Agreement, attached hereto and incorporated by reference.

3. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

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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 Mayor 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 _____
Name

Vice Dean for Faculty
Title
David Geffen School of Medicine

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 JUN 16 2015

PATRICK OGAWA
ACTING EXECUTIVE OFFICER

COUNTY OF LOS ANGELES

By _____
Mayor, Board of Supervisors

ATTEST:
PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By _____

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

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:
Mark J. Saladino
County Counsel

By _____
Principal Deputy County Counsel

7685 0 Supplement No. 4

EXHIBIT 1-I.a-4

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:

Fiscal Year (FY):	**FY 14-15 FTEs**	**FY 15-16 FTEs**
Internal Medicine – Gastroenterology	3.00	3.00
Internal Medicine – Rheumatology	1.00	1.00
Preventative Medicine	2.00	**3.00**
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	2.00
Subtotal	**22.00**	**23.00**

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.

Fiscal Year (FY):	**FY 14-15 FTEs**	**FY 15-16 FTEs**
Anesthesiology	20.00	20.00
Emergency Medicine	47.00	**48.00**
Emergency Medicine – Ultrasound	1.00	1.00
Family Practice	36.00	36.00
Family Medicine - Faculty Development	2.00	2.00
Family Medicine - Sports Medicine	1.00	1.00
Internal Medicine	56.00	56.00
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	9.00	9.00

EXHIBIT 1-I.a-4

	FY 14-15 FTEs	FY 15-16 FTEs
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	20.00	20.00
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	47.00	47.00
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	18.00	18.00
Subtotal	**510.00**	**511.00**

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):	FY 14-15 FTEs	FY 15-16 FTEs
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
Subtotal	7.00	7.00
Grand Total	**537.00**	**539.00**

EXHIBIT 1-II.a-4

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.

Fiscal Year (FY):	FY 14-15 FTE	FY 15-16 FTEs
Anesthesiology	2.00	2.00
Emergency Medicine OV/UC	28.00	28.00
Family Medicine	4.00	4.00
Family Medicine - Mid-Valley	2.25	2.25
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
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	**127.75**	**127.75**

* 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:

Fiscal Year (FY):	FY 14-15 FTEs	FY 15-16 FTEs
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
Subtotal	**98.75**	**98.75**

EXHIBIT 1-II.a-4

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:

Fiscal Year (FY):		**FY 14-15 FTEs**	**FY 15-16 FTEs**
Pathology		0.50	0.50
	Grand Total	**227.00**	**227.00**

EXHIBIT 2-I.a-4

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

Martin Luther King Multi-Service Ambulatory Care Center

Los Angeles County Public Health Department Service Locations
(Preventative Medicine Fellowship 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 Fellowship 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-3.

EXHIBIT 2-II.a-4

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

The Primary County Facilities shall include those facilities within the Valley Care Cluster which are so identified in Addendum A-II.a-3.

ADDENDUM A-I.a-4

Purchased Services - Coastal Cluster (including Harbor)

Fiscal Year (FY) 2015-16

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 and pediatrics augmentation, (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 will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmIOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

A-I.3. Volume of Purchased Services. For FY 15-16, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, 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 15-16 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 included that is jointly funded by the Department of Public Health and Department of Health Services. This two year training program consists of two fellows per year. Exhibit 1-I.a.4 includes two Year 1 and one Year 2 Preventative Medicine FTEs for FY 15-16 that will cost approximately $163,000 . Effective FY 16-17 the estimated annual on-going cost will be $314,000 for four Preventative Medicine FTEs.

A-I.4 Fixed, Unit and Total Payments. During FY 15-16, County shall compensate University as follows (prices are rounded to the nearest $500).

ADDENDUM A-I.a-4

Variable Costs	FY 14-15 Total Price	FY15-16 Total Price
Program Directors	$2,240,000	$2,240,000
Faculty Members	$1,060,000	$1,060,000
University Housestaff Salaries	$1,045,500	$1,058,500
Radiologists	$ 678,000	$ 678,000
Faculty Trauma Surgery, Otolaryngology, Anesthesia & Pediatrics Augmentation	$1,784,000	$2,434,000
Faculty Recruitment/Retention Augmentation	$1,000,000	$1,000,000
Informatics Program	$ 359,000	$ 359,000
Total Variable Costs:	**$8,166,500**	**$8,829,500**

Fixed Costs	FY 14-15 Total Price	FY 15-16 Total Price
Academic Infrastructure	$1,070,000	$ 1,070,000
Verinform / AmIOn	$ 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		
Total Fixed Costs:	**$1,347,500**	**$ 1,347,500**
Total Coastal Payment:	**$9,514,000**	**$ 10,177,000**

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 $1,000,000 for FY 15-16 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-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

ADDENDUM A-I.a-4

Bellflower Health Center

Wilmington Health Center

Martin Luther King, Jr. Outpatient Center

Department of Public Health Service Locations
(Preventative Medicine Fellowship Only)

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

Other Department of Health Services Locations
(Preventative Medicine Fellowship Only)

ADDENDUM A-II.a-4

Purchased Services - Valley Care Cluster (including Olive View)

Fiscal Year (FY) 2015-16

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) 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 will not vary within a given range of programs and Housestaff: (a) overall academic infrastructure, including graduate medical education fees, (b) Verinform/AmIOn, (c) University Representative, (d) University Graduate Medical Education Dean, and (e) University's administrative personnel.

A-II.3. Volume of Purchased Services. For FY 15-16, University shall provide Purchased Services as needed within the ranges or maximum set forth in this Addendum. In the event that County's needs fall outside of such ranges or maximum, the Parties may negotiate a different volume of services for specific line items.

Under Paragraph 1-II.1, Exhibit 1-II.a-4, § 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 15-16 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.

A.II.4 Fixed, Unit and Total Payments. During FY 15-16, County shall compensate University as follows (all prices are rounded to the nearest $500):

Variable Costs	FY 14-15 Total Price	FY 15-16 Total Price
Program Directors	$ 658,000	$ 658,000
Faculty Members	$ 589,500	$ 589,500
University Housestaff Salaries	$15,309,000	$15,309,000
Hospitalists	$ 285,000	$ 285,000
Faculty Recruitment/Retention Augmentation	$ 512,500	$ 512,500

ADDENDUM A-II.a-4

Total Variable Costs:	**$17,354,000**	**$17,354,000**

Fixed Costs	FY 14-15 Total Price	FY15-16 Total Price
Academic Infrastructure	$1,703,500	$ 1,703,500
Verinform / AmIOn	$ 35,000	$ 35,000
University Representative	$ 31,000	$ 31,000
GME Dean	$ 41,000	$ 41,000
Administrative Personnel	$ 102,500	$ 102,500
Total Fixed Costs:	**$1,913,000**	**$ 1,913,000**
Total Valley Care Payment:	**$19,267,000**	**$19,267,000**

A-II.5 COTH Housestaff Salary Adjustment
Based upon the recommendation of the Council of Teaching Hospitals (COTH), the University may increase the housestaff compensation levels for resident physicians for FY 15-16. . These COTH increases are not expected to exceed 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 agree to fund the COTH increase within the existing contract budget upon execution of an amendment to this Agreement by the parties.

A-II.6 Faculty Recruitment & Retention Augmentation. Addendum A includes a faculty recruitment and retention fund in the amount of $512,500 for FY 15-16 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.7 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

ADDENDUM A-III.a-4

Total Payments

Fiscal Year (FY) 2015-16

	FY 14-15	FY 15-16
Coastal Purchased Services	$ 9,514,000	**$10,177,000**
Valley Care Purchased Services	$19,267,000	$19,267,000
Total Payment	**$28,781,000**	**$29,444,000**