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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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May 09, 2017

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

Dear Supervisors:

**APPROVAL OF AMENDMENT TO EXTEND THE INPATIENT INTENSIVIST AND HOSPITALIST SERVICES AGREEMENT WITH PRIMARY CRITICAL CARE GROUP
(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

SUBJECT

Request approval to amend the Inpatient Intensivist and Hospitalist Services Agreement with Primary Critical Care Medical Group to extend the Agreement term for twelve months, with an option to further extend such term for up to six additional months under delegated authority, for the continued provision of services at Rancho Los Amigos National Rehabilitation Center while the Department of Health Services implements a new transition plan to use County and contracted physicians.

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 at Rancho Los Amigos National Rehabilitation Center (RLANRC) as described herein, can be performed more feasibly by contracting with the private sector.
2. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 15 to Inpatient Intensivist and Hospitalist (IIH) Services Agreement No. 75936 (Agreement) with Primary Critical Care Medical Group (PCCMG) effective upon execution, to: a) extend the Agreement term for a period of twelve months through May 31, 2018, with an option to extend the Agreement term on a month-to-month basis for up to six

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 May 9, 2017

LORI GLASGOW
EXECUTIVE OFFICER

additional months, while the Department of Health Services (DHS) implements a new transition plan to attract, recruit, and retain replacement physicians at RLANRC; and b) decrease the maximum annual obligation from \$4.120 million to \$3.860 million during the extended term.

3. Delegate authority to the Director, or his designee, to execute Amendments to the Agreement to: a) exercise the option to extend the Agreement term up to six months at the current compensation rates in the event that additional time is needed to complete the transition plan at RLANRC; and b) reduce PCCMG's service levels and maximum obligation as utilization of contracted services diminish.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

Under the current Agreement that expires May 31, 2017, PCCMG provides IIH Services on a 24/7 basis at RLANRC to manage patients who are critically ill and require intensive monitoring in the hospital's intensive care. By managing such patients with life-threatening conditions, intensivists improve the quality of care provided to these patients, and reduce overcrowding by assessing and discharging patients suitable for lower-level-care settings such as urgent care. The Agreement with PCCMG was initially executed to mitigate the impact of the Martin Luther King, Jr. – Harbor Medical Center closure on the surrounding County hospitals, with services provided at Harbor-UCLA Medical Center (H-UCLA MC), LAC+USC Medical Center (LAC+USC MC) and RLANRC.

DHS previously informed the Board of its intent to recruit and hire County-employed physicians to replace PCCMG's physicians at LAC+USC MC, H-UCLA MC, and RLANRC, and planned to allow this Agreement to expire. Services at LAC+USC MC were successfully transitioned away from PCCMG in November 2013, but DHS requested an extension of the Agreement to allow for additional transition time for H-UCLA MC and RLANRC. During the current term of the Agreement, H-UCLA MC subsequently completed its transition. However, RLANRC still faces challenges in recruiting, hiring, and retaining qualified physicians since it lacks an internal medicine residency program to perform IIH services, and frequently requires physicians to work a six-day workweek on a part-time basis, including weekend shifts. As a result, RLANRC has retained only four of the nine County physicians hired to date for this program, and needs to revise its transition plan accordingly, which may include re-structuring its intensive care program and operations to: a) continue to recruit, hire, and retain County physicians; b) use contracted physicians or registries on a part-time and intermittent basis; c) solicit a new IIH agreement, if necessary, to fill any remaining clinical gaps, and d) possibly reduce the number of physicians needed to perform IIH services under the current Agreement.

Recommendations

Approval of the first recommendation is necessary to comply with Los Angeles County Section 2.121.420, as amended on November 21, 2006, whereby contracting for physician services is allowed upon a Board determination that the use of independent contractors is more feasible than the use of County employees.

Approval of the second recommendation will allow the Director to execute an Amendment (Exhibit I), to provide RLANRC with additional time to implement a revised transition plan to: recruit and hire in-house physicians, use contracted physicians or registries on a part-time and intermittent basis, or a combination thereof, to perform IIH services. The reduced annual maximum obligation is as a result

of the reduction in services.

Approval of the third recommendation will enable DHS to further extend the Agreement to fully implement RLANRC's transition plan in the event of unforeseen delays or obstacles. It will also allow the Director to reduce service levels and fees charged by PCCMG as DHS assumes PCCMG's contractual responsibilities during the transition period.

Implementation of Strategic Plan Goals

The recommended actions support Strategy III.3, Striving for operational effectiveness, fiscal responsibility, and accountability.

FISCAL IMPACT/FINANCING

The maximum annual County obligation during the extension term will decrease by \$0.260 million from \$4.120 million to \$3.860 million for the period June 1, 2017 through May 31, 2018 with no change in contract rates. As RLANRC implements its revised transition plan, and hires County-employed physicians, the actual contract expenditures will further decrease, but cannot be accurately projected at this time due to the uncertainties in the recruitment, hiring, and retention of such physicians.

Funding is included in DHS' FY 2017-18 Recommended Budget and will be requested in future fiscal years as continuing appropriation, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Current Agreement includes language allowing either party to terminate the Agreement, with or without cause, with a 30-day advance written notice by County to PCCMG, and a 120-days advance written notice by PCCMG to County.

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

CONTRACTING PROCESS

The current contract was awarded as a result of a Request for Information to select and execute the Agreement with PCCMG as a result of the then impending closure of MLK-Harbor. The Board approved the extension of the Agreement thereafter.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will allow the provision of IIH Services to continue uninterrupted until RLANRC implements a revised transition plan to replace physician and administrative support services currently provided by PCCMG.

The Honorable Board of Supervisors

5/9/2017

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Respectfully submitted,

A handwritten signature in black ink that reads "Mitchell Katz". The signature is written in a cursive, slightly slanted style.

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

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

**INPATIENT INTENSIVIST AND HOSPITALIST
SERVICES AGREEMENT**

AMENDMENT NO. 15

THIS AMENDMENT is made and entered into this _____ day
of _____, 2017

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

PRIMARY CRITICAL CARE
MEDICAL GROUP
(hereafter "Contractor")

Business Address:
4640 Lankershim Blvd. Suite 305
North Hollywood, California 91602

WHEREAS, reference is made to that certain document entitled "Inpatient Intensivist and Hospitalist Services Agreement," dated November 30, 2006, and further identified as Agreement No. 75936, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend the term through May 31, 2018, and to provide for the other changes set forth herein; 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 commence and be effective upon execution as reflected in the date hereinabove written.

2. Agreement, Paragraph 1, TERM AND TERMINATION, is deleted in its entirety and replaced as follows:

"1. TERM AND TERMINATION:

The term of this Agreement shall commence on December 1, 2006, and will continue in full force and effect through May 31, 2018. The Director of Health Services shall have the option to further extend the Agreement term on a month-to-month basis, for up to six additional months. To exercise such option, the County shall prepare an amendment for execution by the legally authorized representative of each Parties.

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

3. Agreement, Paragraph 3, AGREEMENT SUM, Subparagraph B is revised as follows:

"3. AGREEMENT SUM:

B. As to the provision of services at Rancho:

1) For that period August 14, 2007 through November 30, 2007, the Maximum Obligation for those services shall not exceed One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000).

2) For that period December 1, 2007 through November 30, 2010, the Maximum Obligation for services provided shall not exceed Thirteen Million Five Hundred Thousand Dollars (\$13,500,000).

3) For that period December 1, 2010 through November 30, 2012, the Maximum Obligation for services provided shall not exceed Seven Million Dollars (\$7,000,000).

4) For that period December 1, 2012 through November 30, 2013, the Maximum Obligation for services provided shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000).

5) For that period December 1, 2013 through November 30, 2016, the Maximum Obligation for services provided shall not exceed Twelve Million Two Hundred Forty Thousand Dollars (\$12,240,000) during the extension period, as follows:

a. For that period December 1, 2013 through November 30, 2014, the annual obligation for services provided shall not exceed Four Million Dollars (\$4,000,000).

b. For that period December 1, 2014 through November 30, 2015, the annual obligation for services provided shall not exceed Four Million One Hundred Twenty Thousand Dollars (\$4,120,000).

c. For that period December 1, 2015 through November 30, 2016, the annual obligation for services provided shall not exceed Four Million One Hundred Twenty Thousand Dollars (\$4,120,000).

6) For that period December 1, 2016 through May 31, 2017, the Maximum Obligation for services provided shall not exceed Two Million, Sixty Thousand Dollars (\$2,060,000).

7) For that period June 1, 2017 through May 31, 2018, the annual obligation for services provided shall not exceed Three Million, Eight Hundred Sixty Thousand Dollars (\$3,860,000).

4. Agreement is modified to add Paragraph 42, Compliance with County's Zero Tolerance Human Trafficking, as follows:

42 COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

A. The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

B. If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor's staff be removed immediately from performing services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

C. Disqualification of any member of the Contractor's staff pursuant to this Sub-paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

4. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Mitchell H. Katz, M.D.
Director of Health Services

CONTRACTOR

Primary Critical Care Medical Group

By: Bruce Gipe MD
Signature

Bruce Gipe
Printed Name

Medical Director
Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By _____
Edward Morrissey
Principal County Counsel