



November 26, 2024



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

Los Angeles County
Board of Supervisors

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

Dear Supervisors:

**APPROVAL OF AMENDMENT TO THE AFFILIATION AGREEMENT WITH
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA TO ADJUST THE
LEVEL OF PHYSICIAN SERVICES, TRAINING PROGRAMS, AND
FUNDING
(1st, 2nd, AND 5th SUPERVISORIAL DISTRICTS) (3 VOTES)**

Christina R. Ghaly, M.D.
Director

Nina J. Park, M.D.
Chief Deputy Director, Clinical Affairs & Population Health

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

SUBJECT

Request for the Board of Supervisors (Board) to make a finding that contracting for the provision of physician services can be performed more feasibly by an outside contractor; approval to amend the Affiliation Agreement with the Regents of the University of California, on behalf of its Los Angeles Campus and School of Medicine (University) to increase specified patient care services, increase the housestaff salaries and adjust the number of residents and fellows enrolled in various physician training programs, and increase the annual maximum obligation of the Agreement by \$3,028,000 for Fiscal Year (FY) 2024-25.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 288-8050
Fax: (213) 481-0503

www.dhs.lacounty.gov

*"To advance the health of our patient
and our communities by providing
extraordinary care"*

IT IS RECOMMENDED THAT THE BOARD:

1. Find, as required by Los Angeles County (LA County) Code section 2.121.420, that contracting for the provision of physician services at Harbor-UCLA Medical Center (H-UCLA MC), Olive View-UCLA Medical Center (OV-UCLA MC), and Los Angeles General Medical Center (LA General) as described herein, can be performed more feasibly by contracting with the outside contractor.
2. Delegate authority to the Director of Health Services (Director), or



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designee, to execute the Amendment to the Agreement with the University, substantially similar to Attachment I, for the provision of physician medical education and patient care services at H-UCLA MC, OV-UCLA MC, and LA General, effective upon Board approval for the period July 1, 2024 through June 30, 2025, to: a) adjust the level and cost of patient care services based on clinical and operational needs; b) increase the salaries and number of University housestaff enrolled in various LA County and University physician-training programs at H-UCLA MC and OV-UCLA MC; and c) increase the maximum annual obligation accordingly by \$3,028,000, from \$43,560,500 to \$46,588,500 for the period July 1, 2024 through June 30, 2025, subject to review and approval by County Counsel.

3. Delegate authority to the Director, or designee, to execute future amendments to adjust the volume of physician medical education and patient care, and its costs thereof based on clinical and operational needs, provided that any cumulative annual increases to the maximum annual obligation do not exceed a total of ten percent thereof, separate from any increases in housestaff salaries, subject to review and approval by County Counsel.

4. Delegate authority to the Director, or designee, to execute future amendments, as follows: (a) add, delete, and/or change certain terms and conditions as required by federal or State law or regulation, accreditation requirements and standards, LA County policy, the Board, and/or CEO; (b) revise contract language to improve or update clinical, medical educational, and/or administrative operations within the Agreement's scope of services; (c) adjust the variable costs for future increases in housestaff salary up to five percent per year that the University may grant their housestaff enrolled in various physician training programs at specified LA County facilities; (d) and increase the maximum annual obligation under the Agreement accordingly, subject to review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation continues prior Board findings that contracting for the provision of physician services under this Amendment at H-UCLA MC, OV-UCLA MC, and LA General can still be performed more feasibly by contracting with the University. On November 21, 2023, the Board made the most recent finding as required by LA 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.

Approval of the second recommendation will allow the Director, or designee, to execute an Amendment to this Agreement with the University to adjust the volume and cost of physician medical education, patient care, and administrative services, based on current clinical and operational needs, and make other changes as described below.

H-UCLA MC

H-UCLA MC plans to decrease a net total of 1 Full-Time Equivalent (FTE) of housestaff from 566 to 565 FTEs to integrate the general surgery training program for residents and fellows, and increase specialty physician coverage for otolaryngology (ear, nose and throat), neuro-interventional radiology, and cardiac electrophysiology based on clinical need. H-UCLA MC also plans to increase

housestaff salaries as further described below, adjust certain faculty salaries based on historical costs and current salaries, and revise other budget items detailed in the attached Amendment. Such changes will increase H-UCLA MC's annual contract budget by \$671,000 from \$9,744,500 to \$10,415,500 for the period July 1, 2024 through June 30, 2025.

Housestaff Compensation

Based upon the Local Bargaining Unit Agreement negotiated between the University and Committee of Interns and Residents/Service Employees International Union (CIR/SEIU), the University increased housestaff compensation levels by 5% effective July 1, 2024. The negotiated salary and fringe benefits, when applied to the University housestaff full-time equivalents, amounts to a cumulative annual total increase of \$143,500 from \$2,415,500 to \$2,559,000, which includes the adjustment of FTEs for various specialty programs set forth in the attached Amendment. The revised salary scale aims to ensure the University salaries remain competitive and that graduate medical education programs continue to attract qualified candidates into the University housestaff workforce that is integral to H-UCLA MC's training programs.

OV-UCLA MC

OV-UCLA MC plans to add 1 FTE of housestaff to its internal medicine (dermatology) training program and delete 1 FTE from its internal medicine (hematology/oncology) training program resulting in no changes to its current total number of housestaff of 253.5 FTEs. OV-UCLA MC also plans to increase housestaff salaries for the foregoing reasons described hereinabove resulting in an annual increase of \$2,047,000 from \$28,025,000 to \$30,072,000, adjust certain University faculty salaries based on historical costs and current salaries, and revise other budget items detailed in the attached Amendment. Such changes will increase OV-UCLA MC's annual contract budget by \$2,220,500 from \$33,181,000 to \$35,401,500 for the period July 1, 2024 through June 30, 2025.

LA General

LA General plans to increase University faculty salaries for pediatric surgery and cardiac electrophysiology based on historical costs and current salaries for a total increase of LA General's annual contract budget by \$136,500 from \$635,000 to \$771,500 for the period July 1, 2024 through June 30, 2025.

Approval of the third recommendation will continue the current delegated authority to the Director, or designee, to adjust clinical and operational services on an as-needed basis, and revise such authority to increase the maximum annual funding accordingly from 1% to 10%. This will provide the Department of Health Services' (DHS) hospitals and affiliated health centers with more flexibility to respond to the changing medical needs of its medically underserved patients within a reasonable budgetary constraint.

Approval of the fourth recommendation will permit the Director, or designee, to execute future amendments to ensure compliance with applicable law, regulation, accreditation requirements and standards, LA County and CEO policy/requirements; improve or update contract language related to clinical, medical educational, and administrative operations; and increase the housestaff salaries by up to 5%.

Implementation of Strategic Plan Goals

The recommended actions support North Star 1, “Focus Area Goal A. Healthy Individuals and Families” and Strategy ii. “Improve Health Outcomes of LA County’s Strategic Plan and Goals.”

FISCAL IMPACT/FINANCING

LA County’s maximum annual obligation under the Amendment will increase from \$43,560,500 to \$46,588,500 (H-UCLA MC \$10,415,500; OV-UCLA MC \$35,401,500; and LA General \$771,500) in FY 2024-25 for a total increase of \$3,028,000 (H-UCLA MC \$671,000 annual increase; OV-UCLA MC \$2,220,500 annual increase; and LA General \$136,500 annual increase). Funding for this increase to LA County’s maximum annual obligation is included in the DHS FY 2024-25 Final Budget. There is no impact to net County cost.

Continued funding will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DHS entered into the current Agreement with the University 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 LA County and University training programs, the specific volume and cost of academic purchased services, and housestaff compensation. The Amendment also includes the most recent standard provision, Campaign Contribution Prohibition Following Final Decision in Contract Proceeding.

County Counsel has reviewed and approved Attachment 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 LA County and the University, DHS determined that it was not feasible to competitively bid for the services under this Agreement.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

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

The Honorable Board of Supervisors

11/26/2024

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Respectfully submitted,

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

Christina R. Ghaly, M.D.

Director

CRG:ck

Enclosures

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

Contract No. 76850

AFFILIATION AGREEMENT

Amendment No. 22

THIS AMENDMENT is made and entered into this _____ day
of _____, 2024,

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 \$3,028,000, not to exceed a total contract cost of \$46,588,500, 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,

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon date of Board approval for FY 24-25, July 1, 2024 through June 30, 2025.
2. The Agreement is modified to add Sub-paragraph 11.32 – Campaign Contribution Prohibition Following Final Decision in Contract Proceeding to read as follows:

"11.32 Campaign Contribution Prohibition

Pursuant to California Government Code Section 84308, Contractor and its agents and subcontractors are prohibited from making a contribution of more than \$250 to any County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement.

By executing this Agreement, Contractor represents and warrants that neither it nor any of its agents or subcontractors shall make a contribution of more than \$250 to any County officer for twelve (12) months following the effective date of the Agreement.

Failure to comply with the provisions of California Government Code Section 84308 and of this Paragraph may be a material breach of the Agreement as determined in the sole discretion of County.”

3. The Exhibits and Addendums, attached hereto and incorporated by reference, shall be added to the Agreement.

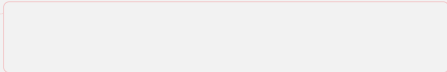
4. Except for the changes set forth herein, the remaining terms and conditions of the Agreement shall remain in full effect.

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IN WITNESS WHEREOF, 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, or designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer(s), on the day, month and year first above written.



COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of Health Services

CONTRACTOR:

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

Signed by: _____
By: Steven Dubinett Steven Dubinett
Name
Dean, DGSOM
Title

APPROVED AS TO FORM:
DAWYN R. HARRISON
County Counsel

By _____
Natasha Mosley
Deputy County Counsel

EXHIBIT 1-II.a-14

County and University Training Programs – Harbor-UCLA Medical Center (H-UCLA MC) and Affiliated Primary County Facilities

Adjustments for Fiscal Year (FY) 2024-25 are described in the Footnotes section below.

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:

	FY 2023-24 FTEs	FY 2024-25 FTEs
Internal Medicine – Gastroenterology	1.00	1.00
Internal Medicine – Geriatric Medicine	1.00	1.00
Internal Medicine – Rheumatology	1.00	1.00
Internal Medicine – Electrophysiology Fellow	1.00	1.00
Preventative Medicine Fellowship	0.00	0.00
Surgery – Neurosurgery	2.00	2.00
Surgery – Ophthalmology	6.00	6.00
Surgery – Head & Neck	5.00	5.00
Surgery – Plastic	1.00	1.00
Surgery – Urology	3.00	3.00
Subtotal	21.00	21.00

1-I.2 Non-ACGME-Accredited University Training Programs. University Training Programs shall include the following Non-ACGME-accredited training programs which are based at Ronald Reagan UCLA Medical Center, pursuant to this Agreement:

	FY 2023-24 FTEs	FY 2024-25 FTEs
Health Services Clinical Scholar ¹	2.00	1.00
Subtotal	2.00	1.00

1-I.3 ACGME-Accredited County Training Programs. County Training Programs shall include the following ACGME-accredited training programs which are based at Los Angeles County – H-UCLA MC, pursuant to this Agreement:

	FY 2023-24 FTEs	FY 2024-25 FTEs
Anesthesiology	36.00	36.00
Anesthesiology – Regional Fellowship	1.00	1.00
Emergency Medicine	64.00	64.00

EXHIBIT 1-II.a-14

	FY 2023-24 FTEs	FY 2024-25 FTEs
Emergency Medicine Services and Disaster Med.	1.00	1.00
Family Practice	36.00	36.00
Family Medicine - Sports Medicine	2.00	2.00
Internal Medicine	62.00	62.00
Internal Medicine – Cardiology	15.00	15.00
Internal Medicine - Cardiology Interventional	2.00	2.00
Internal Medicine – Dermatology	5.00	5.00
Internal Medicine – Electrophysiology	0.00	0.00
Internal Medicine – Endocrinology	11.00	11.00
Internal Medicine - Advanced Interventional and Endosonography	0.00	0.00
Internal Medicine - Hematology/Oncology	12.00	12.00
Internal Medicine - Infectious Disease	5.00	5.00
Internal Medicine – Nephrology	6.00	6.00
Internal Medicine – Pulmonary	9.00	9.00
Neurology	20.00	20.00
Neurology - Neurophysiology/EEG	2.00	2.00
Obstetrics and Gynecology	24.00	24.00
OB/Gyn - Female Pelvic Reconstructive Surgery	3.00	3.00
Orthopedic Surgery	25.00	25.00
Pathology	16.00	16.00
Pediatrics	30.00	30.00
Pediatric Child Abuse	2.00	2.00
Pediatrics - Critical Care	0.00	0.00
Pediatrics – Endocrinology	0.00	0.00
Pediatrics – Gastroenterology	0.00	0.00
Pediatrics - Emergency Medicine	6.00	6.00
Pediatrics - Infectious Disease	1.00	1.00
Pediatrics – Neonatal	8.00	8.00
Psychiatry	28.00	28.00
Psychiatry – Child	7.00	7.00
Radiology	24.00	24.00
Radiology – Interventional	0.00	0.00
Radiology – Neuroradiology	1.00	1.00
Radiology – Nuclear	0.00	0.00
Surgery	39.00	39.00
Surgery – Critical Care Fellowship	2.00	2.00
Surgery – Vascular²	2.00	1.00
Surgery – Vascular Integrated³	3.00	4.00
Subtotal	510.00	510.00

EXHIBIT 1-II.a-14

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 – H-UCLA MC, pursuant to this Agreement:

	FY 2023-24 FTEs	FY 2024-25 FTEs
Anesthesiology/Trauma	1.00	1.00
Emergency Medicine – Administration	1.00	1.00
Emergency Medicine – Ultrasound	2.00	2.00
Family Medicine – Community Health	1.00	1.00
Family Medicine – Chief Resident	2.00	2.00
Family Medicine – Faculty Development	2.00	2.00
Gastroenterology – Advanced Fellowship	2.00	2.00
Health Services Clinical Scholar	0.00	0.00
Internal Medicine – Adv Cardiac Medicine	3.00	3.00
Internal Medicine – Chief Residents	2.00	2.00
Internal Medicine – General	1.00	1.00
Neurology – Child	0.00	0.00
OB/Gyn – Maternal Fetal Medicine	0.00	0.00
OB/Gyn- Women’s Health	0.00	0.00
Orthopedic Surgery – Foot and Ankle	1.00	1.00
Pediatrics – Medical Genetics	0.00	0.00
Radiology – Body Imaging	0.00	0.00
Radiology – Breast Imaging	1.00	1.00
Surgery – General Practice –Dental	4.00	4.00
Surgery – Oral and Maxillofacial Surgery	8.00	8.00
Supervisor of Residents	2.00	2.00
Subtotal	33.00	33.00
Grand Total	566.00	565.00

FOOTNOTES:

- 1 Deletion of the first-year fellow. The National Clinician Scholars Program is a two-year program funded by DHS. The funding for this program is sunseting at the end of FY 2024-25 and only the funding for the second-year fellow will remain for FY 2024-25.
- 2 Deletion of 1.0 PPGY-6 FTE to continue with the transition from the traditional 2-year fellowship following a general surgery residency to an integrated 5-year training program. The PPGY-4 and PPGY-5 will replace the current PPGY-6 and PPGY-7 vascular surgery fellows. Program will increase 1 FTE per year, until FY 2025-26.
- 3 Addition of 1.0 PGY4 FTE to continue with the transition from the traditional 2-year fellowship following a general surgery residency to an integrated 5-year training program. The PPGY-4 and PPGY-5 will replace the current PPGY-6 and PPGY-7 vascular surgery fellows. Program will increase 1 FTE per year, until FY 2025-26.

EXHIBIT 1-II.a-15

County and University Training Programs – Olive View-UCLA Medical Center (OV-UCLA MC) and Affiliated Primary County Facilities

Adjustments for FY 2024-25 are described in the Footnote section below.

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:

	FY 2023-24 FTEs	FY 2024-25 FTEs
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	6.00	6.00
Internal Medicine – Dermatology¹	1.00	2.00
Internal Medicine – Gastroenterology	2.00	2.00
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	1.00	1.00
OB/Gyn – UroGyn FPMRS	0.50	0.50
Ophthalmology	5.00	5.00
Pediatrics	11.00	11.00
Primary Care	9.00	9.00
Psychiatry	0.00	0.00
Radiology	8.00	8.00
Sleep Medicine	1.00	1.00
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
Surgery – Podiatry	3.00	3.00
Urology	3.00	3.00
Subtotal	128.00	129.00

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 – OV-UCLA MC, pursuant to this Agreement:

EXHIBIT 1-II.a-15

	FY 2023-24 FTEs	FY 2024-25 FTEs
Internal Medicine – General	77.00	77.00
Internal Medicine – Hematology/Oncology²	13.00	12.00
Internal Medicine – Nephrology	5.00	5.00
Internal Medicine – Rheumatology	2.00	2.00
Psychiatry (Program moved to OV eff. 7/1/18)	28.00	28.00
Subtotal	125.00	124.00

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 – OV-UCLA MC, pursuant to this Agreement:

	FY 2023-24 FTEs	FY 2024-25 FTEs
Pathology	0.50	0.50
Subtotal	0.50	0.50
Grand Total	253.50	253.50

FOOTNOTES:

- 1 Add 1 PGY-2 dermatology FTE for additional patient care.
- 2 Deletion of one PGY-6.

ADDENDUM A-I.a-14

Purchased Services – H-UCLA MC and Affiliated Primary County Facilities

FY 2024-25

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. Adjustments for FY 2024-25 are described in the Footnotes section below.

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) physicians otolaryngology, pediatric surgery, cardiac electrophysiology, cardiac surgery, thoracic surgery, neurosurgery, rheumatology, neuro- interventional radiology, emergency medicine, family medicine, toxicology, and pediatric urology surgery; (d) faculty recruitment/retention augmentation; and (e) University for its cost for any University Housestaff, including National Clinician Scholars, assigned to Primary County Facilities to the extent authorized under this Addendum A. 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/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 2024-25, 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 §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 2024-25 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 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.

Section §A-1.2 includes one Health Services Clinical Scholar that is 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.13 includes one Health Services Clinical Scholar that will cost \$185,000.

A-I.4 Fixed, Unit and Total Payments. During FY 2024-25, County shall compensate University as follows (prices are rounded to the nearest \$500).

Variable Costs	FY 2023-24 Total Price	FY 2024-25 Total Price
Program Directors	\$1,292,500	\$1,292,500
Faculty Members	540,000	540,000
University Housestaff Salaries¹	2,415,500	2,559,000
National Clinician Scholars Program²	374,000	185,000

Physicians and other Personnel³: Otolaryngology, Pediatric Surgery, Cardiac Electrophysiology, Cardiac Surgery, Thoracic Surgery, Neurosurgery, Neuro-Interventional Radiology, Pediatrics Urology Surgery, Family Medicine, Emergency Medicine, **Toxicology e-**

ADDENDUM A-I.a-14

Consult , and Harbor-Based Academic Personnel Office Analysts ³	4,440,500	5,157,000
Faculty Recruitment/Retention Augmentation	386,500	386,500
Total Variable Costs:	\$9,449,000	\$10,120,000
 Fixed Costs	FY 2023-24	FY 2024-25
	Total Price	Total Price
Medhub/AmIOn	\$118,000	\$118,000
University Representative	34,000	34,000
GME Dean	41,000	41,000
Administrative Personnel Associate Dean Harbor-UCLA	102,500	102,500
Total Fixed Costs:	\$295,500	\$295,500
Total H-UCLA MC Payment:	\$9,744,500	\$10,415,500

A-I.6 Faculty Recruitment & Retention Fund. Addendum A includes a faculty recruitment and retention fund in the amount of \$386,500 annually to assist in the recruiting of new faculty, sign-on bonuses, academic advancement bonuses, and search firms, advertising and travel.

A-I.7 Primary County Facilities. The following facilities shall constitute the Primary County Facilities under this Addendum:

- H-UCLA MC
- 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
- Correctional Health Services Locations
- Other DHS Locations (Health Services Clinical Scholar Fellowships Only)
- DMH Locations (Only for purchased Services funded by DMH)

ADDENDUM A-I.a-14

FOOTNOTES:

- 1 The increase of \$143,500 represents the UCLA Local Bargaining Unit Agreement with CIR/SEIU resident salary compensation increases of 5% effective July 1, 2024, and corresponding employee benefits, as provided by UCLA.
- 2 Decrease of \$189,000 reflects the deletion of the first year clinical scholars fellow funding. This program is sunsetting at the end of FY 2024-25 and the remaining budget is for the second year fellow.
- 3 Increase of \$716,500 consists of the following:
 - A) Otolaryngology (ENT) Physician Services of \$300,000 that will enable Harbor to increase FTE coverage from 1.2 to 1.8 FTE.
 - B) Cardiac Surgery Physician Services of \$84,000.
 - C) Thoracic Surgery Physician Services of \$90,000.
 - D) Pediatric Surgery Physician Services of \$30,000.
 - E) Neuro-Interventional Radiology (Neuro-IR) Physician Services of \$390,000 to increase FTE coverage from 0.5 to 1.0 FTE.
 - F) Cardiac Electrophysiology (EP) Physician Services of \$110,000 for 0.8 FTE.
 - G) Family Medicine Physician Services of \$35,000.
 - H) Toxicology Consults of \$36,000. The increase is offset by physician specialty contract funding.
 - I) Neurosurgery resident on-call coverage decrease of \$45,000.
 - J) Surgery Urology Physician Service decrease of \$313,500 at MLK Outpatient Center.

ADDENDUM A-II.a.15

Purchased Services – OV-UCLA MC and Affiliated Primary County Facilities

FY 2024-25

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. Adjustments for FY 2024-25 are described in the Footnotes section below.

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, Ortho, (d) Physicians on call (PEDS Surgery), (e) Physician EP Services, and (f) 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 to the extent authorized in Addendum A. 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 2024-25, 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-12, § 1.II.1, sixteen of the 28 psychiatry FTEs are fully funded by DMH for services to be provided at various DMH-operated clinics. Notwithstanding the above paragraph, the provision of these additional FTEs for any period beyond FY 2024-25 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 2024-25, County shall compensate University as follows (all prices are rounded to the nearest \$500):

Variable Costs	FY 2023-24 Total Price	FY 2024-25 Total Price
Program Directors¹	\$658,000	\$105,000
Faculty Members²	404,500	987,500
Attending Physicians (Mid Valley CHC, Family Care, 1.5 FTEs)	327,500	327,500
University Housestaff Salaries³	28,025,000	30,072,000
Cardiac Electrophysiology EP Services⁴	245,000	275,000
Physicians (Hospitalist)⁵	285,000	170,000
Physicians (Mid Valley CHC, Ortho, 0.09 FTE)	28,000	28,000
Physicians on call (PEDS Surgery)	108,000	126,000
Faculty Recruitment/Retention Augmentation⁶	568,000	522,000
Total Variable Costs:	\$30,649,000	\$32,613,000

ADDENDUM A-II.a.15

Fixed Costs	FY 2023-24	FY 2024-25
	Total Price	Total Price
Academic Infrastructure⁷	\$2,322,500	\$2,579,000
Medhub / AmlOn	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:	\$2,532,000	\$2,788,500
Total OV-UCLA MC Payment:	\$33,181,000	\$35,401,500

A-II.5 Faculty Members & Academic Infrastructure. Addendum A includes funding for University Faculty Members performing direct patient care at Primary County Facilities. To more effectively address the needs of the hospital, Academic Infrastructure was increased with the addition of 1 Fellowship Coordinator, 1 Medicine Resident Coordinator and additional funding for Webmaster with the intention of enabling faculty members to participate in scholarly conferences and symposia to expand and improve their clinical knowledge, to stay abreast of substantive changes to clinical practice, and to recognize physicians for their contributions to the patient care mission of the hospital.

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 FY 2017-18. 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 (FY 2024-25)
- PGY-2: 3 (FY 2024-25)
- PGY-3: 3 (FY 2024-25)
- Total: 9 FTEs**

In FY 2024-25, the total cost of purchased services for the Primary Care Residency Program is \$1,033,500.

A-II.7 Faculty Recruitment & Retention Augmentation. Addendum A includes a faculty recruitment and retention fund in the amount of \$522,000 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 under this Addendum:

- OV-UCLA MC
- Mid-Valley Comprehensive Health Center
- Glendale Health Center
- San Fernando Health Center
- Correctional Health Services Locations
- DMH Locations (Only for purchased Services funded by DMH)

ADDENDUM A-II.a.15

A-II.9 Electrophysiologist Services

Description of Services. University shall provide a certified Electrophysiologist (EP) to provide services for OV-UCLA MC and affiliated Primary County Facilities. Services shall include specialty consults and EP procedures, and clinic work., The total per week may also include resident training and after hour calls on an as needed basis.

A-II.10 Physician call coverage for Pediatric Surgery Services

Description of Services. University shall provide a physician call services on an as-needed basis to ensure coverage of patient backlogs.

FOOTNOTES

- 1 Reduced budget for Program Director based on UCLA's historical actual expenses.
- 2 Increased budget for Faculty Members based on UCLA's historical actual expenses.
- 3 Housestaff Salaries increase of \$2,047,000 consists of the following:
 - A) UCLA Local Bargaining Unit Agreement with CIR/SEIU increased Resident salary compensation by 5% totaling \$1,135,000 effective 7/1/2024. The \$12,000 housing stipend for each PGY continues to be included in the salary costs.
 - B) The annual Employee Benefits rate increased from 23.09% to 24.92%, resulting in a \$702,000 increase.
 - C) Addition of 1.0 PPGY-2 Internal Medicine (IM) for Dermatology at a cost of \$114,500.
 - D) The reduction of (\$131,000) for one PGY-6 from the OVMC Sponsored Hem/Onc.
 - E) \$134,500 for CIR Housestaff Union Benefits- Relocation reimbursement.
 - F) \$92,000 for CIR Housestaff Union Benefits – Licensing fee reimbursement
- 4 Pediatric Surgery Physician Services of \$18,000 to align to current UCLA faculty salary rates for the provided volume/frequency of services.
- 5 Reduced budget for Physician Hospitalist based on UCLA's historical actual expenses.
- 6 Reduced budget for Faculty Recruitment/Retention Augmentation based on UCLA's historical actual expenses.
- 7 Increased budget for Academic Infrastructure based on UCLA's historical actual expenses.

ADDENDUM A-III.a.4

Purchased Services – Los Angeles General Medical Center (LA General)

FY 2024-25

A-III.1 University shall provide the following services as set forth below:

A-III.1.1 Electrophysiologist Services¹

A-III.1.1.1 Description of Services. University shall provide a certified Electrophysiologist (EP) to provide services for 28 hours per week at LA General. Services shall include 20 hours per week of specialty consults and EP procedures, and 8 hours per week of clinic work, whereby the total of 28 hours per week may also include resident training and after hour calls on an as needed basis.

A-III.1.1.2 Payment and Fixed Costs. The Parties agree that County shall pay University a fixed total of \$48,583.33 per month (\$583,000 annually) for services set forth in §A-III.1.1.1. Such total includes the annual cost of \$110,000 for the addition of one clinic session and one procedure block for LA General Cardiac Electrophysiology (EP) services, all subject to adjustment based on County’s reconciliation of claims submitted by the University to support such payment. Such payment will be paid quarterly in advance as set forth in Paragraph 6, “Payment for Purchased Services.” and shall be in addition to the Contract Maximum set forth under this Agreement.

A-III.1.2 Physician Call Coverage for Pediatric Surgery²

A-III.1.2.1 Description of Services. University shall provide an on-call pediatric surgeon to cover after hours and vacation coverage for a County-employed pediatric surgeon at LA General Medical Center for a total of 18 call days per month.

A-III.1.2.2 Payment and Fixed Costs. The Parties agree that County shall pay University a fixed total of \$15,708.33 per month (\$188,500 annually) to reimburse University for 18 call days per month services set forth in §A-III.1.2.1. Such payment will be paid quarterly in advance as set forth in Paragraph 6, “Payment for Purchased Services,

A-III.3. Volume of Purchased Services. For FY 2024-25, University shall provide Purchased Services as needed within the ranges set forth in this Addendum. In the event that the County’s needs fall outside of such ranges, the Parties may negotiate a different volume of services, and amend the Agreement accordingly.

A-III.4. Primary County Facilities. The following facility shall constitute the Primary County Facilities under this Addendum:

LA General

A.III.5 Total Payments. During FY 2024-25, County shall compensate University as follows (all prices are rounded to the nearest \$500):

	FY 2023-24	FY 2024-25
Total LA General Payment	\$635,000	\$771,500

ADDENDUM A-III.a.4

FOOTNOTES

- 1 Cardiac Electrophysiology (EP) Services of \$110,000 to align to current faculty salary rates for the provided volume/frequency of services.
- 2 Pediatric Surgery Physician Services of \$26,500 to align to current faculty salary rates for the provided volume/frequency of services.

ADDENDUM A-IV.a.15

Total Payments

FY 2024-25

	FY 2023-24	FY 2024-25
H-UCLA MC Purchased Services*	\$9,744,500	\$10,415,500
OV-UCLA MC Purchased Services*	\$33,181,000	\$35,401,500
LA General Purchased Services*	\$635,000	\$771,500
Total Payments	\$43,560,500	\$46,588,500

* Includes Purchased Services that may be provided for affiliated Primary County Facilities.