

Setting the Standard in Health Care Excellence

October 20, 2020

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93003

Subject:

Approval of, and Authorization for the Health Care Agency Director or Designee to Sign, Amendment No. 1 to Contract HCA-ECG0620 with ECG Management Consultants, LLC to Provide Consulting Services, Increasing the Not-to-Exceed Amount by \$900,000 from \$552,000 to \$1,452,000.

Recommendation:

Approval of, and authorization for the Health Care Agency (HCA) Director or designee to sign, amendment No. 1 to contract HCA-ECG0620 with ECG Management Consultants, LLC (ECG) to continue providing consulting services, increasing the not-to-exceed amount by \$900,000 from \$552,000 to \$1,452,000.

VCMC Fiscal Impact:

Mandatory:	No
Source of Funding:	VCMC Operating Revenues/Collections
Funding Match Required:	None
Impact on Other Departments:	NA

Summary of Annual Revenues and Costs:

	<u>FY 2020-21</u>	<u>FY 2021-22</u>
REVENUE:	\$900,000	\$0
DIRECT COSTS:	\$900,000	\$0
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

Current Year Fiscal Budget:

Current FY 2020-21 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated (Savings/Deficit)
Expenditures	\$523,626,081	\$523,626,081	\$523,626,081	\$0
Revenue	\$540,682,161	\$540,682,161	\$540,682,161	\$0
Operational Income/(Loss)	\$17,056,080	\$17,056,080	\$17,056,080	\$0

* Revenue and appropriations are included in the FY20-21 adopted budget. The operational income includes "Operating Transfers In" that is primarily attributed to County contributions.


Discussion:

On June 23, 2020, your Board approved a contract with ECG to assist HCA with the planning and implementation of an ambulatory clinic structure that creates a tighter operational alignment with HCA's future goals. Over the past few years, the evolution of the U.S. healthcare market toward value-based care has created unprecedented change in clinical services, payment reforms, organizational structures and leadership, technology enablers and disruptors, and patient expectations. It was determined that HCA needs to ensure its ambulatory clinic business model, as well as provider contract structure, works to support its future success.

Based on work with organizations with similar objectives, ECG has provided initial recommendations to HCA leadership regarding a general plan for integration. The plan has garnered leadership's support and raised concerns regarding HCA'S capacity to support the anticipated effort with existing resources. The amendment before your Board would add a second project phase including development of an organizational framework for a single, integrated ambulatory care enterprise in alignment with HCA's vision and goals.

Successful implementation of many of the potential performance improvement opportunities are contingent on a more effective organizational and support structure for ambulatory operations.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding these recommendations, please contact myself or Barry Zimmerman, Chief Deputy Director, at (805) 677-5110.



William T. Foley
Health Care Agency Director

Exhibit 1 – ECG Management Consultants, LLC – Amendment No. 1 to Contract No. HCA-ECG0620