



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ

HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061-0962
(408) 454-4066 FAX: (408) 454-4488
TDD: (408) 454-4123
AGENDA: October 20, 1998

October 1, 1998

BOARD OF SUPERVISORS
701 Ocean Street
Santa Cruz, CA 95060

**SUBJECT: CONTRACT WITH SANTA CLARA VALLEY MEDICAL CENTER FOR
ORTHOPEDIC SERVICES**

Dear Board Members:

Access to outpatient orthopedic services for Medi-Cal and Medi-Cruz patients in the northern part of Santa Cruz County has been a problem for several years. Various interim arrangements have been tried with varying degrees of success. HSA staff, in conjunction with Santa Cruz County Health Options (SCCHO) have been negotiating with Santa Clara Valley Medical Center to provide orthopedic surgeon services at the County's Emeline Avenue outpatient clinic. A contract that would result in the provision of these services is being recommended to your Board today.


Between 1989 and 1997, outpatient orthopedic services for County indigent and Medi-Cal patients were provided by local orthopedic surgeons. The clinic was held at HSA's Emeline Avenue facility. For a variety of reasons, local orthopedic surgeons declined to continue these services in 1997. Many local orthopedic surgeons also have been unwilling to accept Medi-Cruz or Medi-Cal patients in their North county offices. County Clinic physicians and SCCHO primary care physicians seeking outpatient orthopedic services for their patients have had to refer patients to out-of-county providers, most commonly, Santa Clara Valley Medical Center. This past summer, HSA and SCCHO approached Santa Clara Valley Medical Center to ascertain their interest in assigning one of their orthopedic surgeon to the County's Emeline site so that County patients needing orthopedic services could be seen locally. Discussions over the past few months have resulted in the contract before you today for consideration.

The proposed contract would allow for the provision of orthopedic clinics two half-days per month. **With** the exception of the orthopedic surgeon, the clinic would be staffed by HSA personnel. Services such as X-ray, laboratory, and pharmacy would also be provided by HSA. Santa Clara County would provide the orthopedic surgeon and would be reimbursed by HSA for their services at \$125.00 per hour. Clinical services provided to Medi-Cal patients would be reimbursed by SCCHO to HSA on an actual cost-per-visit basis. It is estimated that the Medi-Cal reimbursement to HSA will cover the hourly rate paid for the orthopedic services, as well as **HSA's** other service costs associated with care to Medi-Cal patients. There is no additional County cost as a result of this agreement; all costs will be absorbed within **HSA's** 1998-99 adopted County budget. We anticipate that the Santa Cruz demand for orthopedic services is such that two half-day clinics per month will not be sufficient to meet all needs. Santa Clara has indicated a willingness to increase the number of physician hours if the need is demonstrated over an initial period of time.

It is, therefore, **RECOMMENDED** that your Board:


1. Authorize the HSA Administrator to sign the attached agreement with Santa Clara Valley Medical Center.

Sincerely,



Charles M. Moody
Health Services Agency Administrator

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

CMM:GW:js
Attachment

cc: **CAO** Office
County Counsel
Auditor-Controller
HSA Administration
HSA Clinic Administration
Santa Clara Valley Medical Center
SCCHO

COUNTY OF SANTA CRUZ
REQUEST FOR APPROVAL OF AGREEMENT

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TO: Board of Supervisors
County Administrative Officer
County Counsel
Auditor-Controller

FROM: HEALTH SERVICES AGENCY

(Dept.)

C. Moody (Signature) 10/7/98 (Date)

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of the same.

1. Said agreement is between the COUNTY OF SANTA CRUZ (Health Services Agency) (Agency)
COUNTY OF SANTA CLARA BY AND THROUGH THE SANTA CLARA VALLEY MEDICAL CENTER
and, 2220 Moorpark Avenue, -Room 105, San Jose, CA 95128 (Name & Address)

2. The agreement will provide orthopedic surgery services for clients of Santa Cruz County Health
Options (SCCHO) and the County's MediCruz program

3. The agreement is needed to provide for the above services.

4. Period of the agreement is from December 1, 1998 to December 1, 1999 with provision of automatic renewal for five years.

5. Anticipated cost is \$ a rate of \$125 an hour (~~Fixed amount~~ ~~Monthly~~ ~~Yearly~~ ~~Not to exceed~~)
Encumber \$7,500 for FY 1998-99

6. Remarks:

7. Appropriations are budgeted in 361232 (Index#) 3647 (Subobject)

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, ATTACH COMPLETED FORM AUD-74

Appropriations are available and have been encumbered. are not available and will be encumbered.

Contract No. C081740 Date 10/8/98

GARY A. KNUTSON, Auditor - Controller

By Juida T. Chou Deputy.

Proposal reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize the HSA Administrator to execute the same on behalf of the County of Santa Cruz

Health Services Agency (Agency).

County Administrative Officer

Remarks:

Ch Sch (Analyst)

By Ch Sch Date _____

Agreement approved as to form. Date _____

Distribution:

- Bd. of Supv. - White
- Auditor-Controller - Blue
- County Counsel - Green *
- Co. Admin. Officer - Canary
- Auditor-Controller - Pink
- Originating Dept. - Goldenrod

*To Orig. Dept. if rejected.

State of California)
County of Santa Cruz) ss

I _____ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz,
State of California, do hereby certify that the foregoing request for approval of agreement was approved by
said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered
in the minutes of said Board on _____

_____ 19____ By _____ Deputy Clerk

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**PHYSICIAN SERVICES AGREEMENT BETWEEN SANTA CRUZ COUNTY
AND COUNTY OF SANTA CLARA**

This Agreement is entered into effective December 1, 1998, between Santa Cruz County (“SCC”), and the County of Santa Clara (referred to hereafter as either the “County” or “SCVMC”).

WHEREAS, the County is engaged in the provision of medical services, including physician services to patients, through the Santa Clara Valley Medical Center (“SCVMC”);

WHEREAS, the Santa Cruz County Health Options (“SCCHO”), a licensed health care service plan in the State of California which arranges for the provision of specified health care services to subscribers in Santa Cruz County;

WHEREAS, Santa Cruz County desires the assistance of certain SCVMC physicians (“Physicians”) who can provide orthopedic surgery services at the Santa Cruz County Clinic site (“Clinic”) for SCCHO and Santa Cruz County MIA (“MediCruz”) patients;

WHEREAS, SCVMC desires to increase the access of patients from Santa Cruz County to high-quality, cost-effective care by placing physicians specialized in orthopedic surgery in settings such as Clinic and is willing to make the Physicians available to SCC on the terms set forth below;

NOW, THEREFORE, the parties agree as follows:

1. TERM

This Agreement shall have an initial term of one year and shall be automatically renewed for up to five (5) additional terms of one year each unless terminated in accordance with Section 11.

2. RESPONSIBILITIES AND DUTIES

SCVMC shall provide orthopedic surgery services to the Clinic and will perform the activities described in the attached Description of Services (“Description of Services”) marked as Exhibit A and incorporated by reference.

3. PHYSICIANS PROVIDING SERVICES

Physicians who are to provide services under this Agreement shall be licensed in the State of California and specialized in orthopedic surgery, and shall not have been convicted of a criminal offense related to health care nor are they listed by any federal or state agency as debarred, excluded or otherwise ineligible for participation in federal or state funded

health care programs. SCVMC agrees that if criminal charges are brought or debarment or exclusion sought of any Physician providing services under this Agreement, it will remove said Physician from any responsibility for or involvement in the provision of services under this Agreement during the pendency of such proceedings.

4. RESPONSIBILITIES AND DUTIES OF SCVMC

- (I) SCVMC shall be solely responsible for payment of the salary, social security, worker's compensation, and other employee benefits of any kind for Physicians, as well as for any liabilities that may arise in connection with their employment by the County and for their direction and control. Except as explicitly provided for herein, the County shall be solely responsible for all costs associated with the provision of services by Physicians pursuant to this Agreement, including the cost, if any, associated with obtaining and maintaining privileges at SCVMC and credentials with respect to managed care organizations with which the County contracts.
- (ii) SCVMC shall be solely responsible for complying with all applicable laws, regulations, and ordinances including without limitation all such laws and regulations associated with third party reimbursement and reimbursement for services provided by Physicians.
- (iii) SCVMC will promptly advise SCC in writing of any suit, proceeding, investigation, other action or event commenced or threatened against SCVMC which, if adversely determined, would result in a material adverse change in the condition or business, financial or otherwise, of SCVMC and of any facts that come to SCVMC's attention which might materially affect the operation of SCVMC or its ability to properly carry out the terms and conditions of this Agreement.

5. INSURANCE

The County shall, at its expense, maintain policies of general and professional liability insurance or programs of self-insurance-in an amount of one million dollars per occurrence and three million dollars annual aggregate to insure it, its employees and agents, including the Physicians assigned to SCC under this Agreement, against claims and liabilities arising out of or related to this Agreement. In the event that such coverage is written on a claims made basis, the County shall arrange for appropriate tail coverage consistent with the requirements of this Section in the event that such claims-made policy is canceled or not renewed. The provisions of this Section 5 shall survive the termination of this Agreement.

SCC shall, at its expense, maintain policies of general and professional liability insurance

or programs of self-insurance in amounts that are reasonable and customary in the community to insure its employees, and agents and to insure the facilities in which Physicians are to provide services against claims and liabilities arising out of or related to this Agreement. In the event that such coverage is written on a claims made basis, SCC shall arrange for appropriate tail coverage consistent with the requirements of this section in the event that such claims-made policy is canceled or not renewed.

6. INDEMNIFICATION

Each party agrees to indemnify, defend, and hold harmless the other party from any claim, liability, or loss resulting from the willful, wrongful or negligent act or omission of the indemnifying party, its members, officers, directors, trustees, agents or employees or its, or their, performance or failure to perform the provisions of this Agreement. Each party shall notify the other immediately in writing of any claim of injury or damage related to activities performed pursuant to this Agreement, whether the claim is verbal or written, or whether informal or by summons and complaint. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities of this Agreement, provided that nothing shall require either party to disclose any documents, records or communications which are protected under the peer review privilege, the attorney-client privilege or the attorney work-product privilege. The provisions of this Section 6 shall survive the termination of this Agreement.

7. COMPENSATION

In consideration of the services provided to SCC, SCC shall pay SCVMC within thirty (30) days of receipt of invoice from SCVMC each month in accordance with the compensation schedule described in Exhibit B.

8. CHARGES

SCC agrees for itself and on behalf of the Physicians that SCC shall set any and all charges to patients of the Clinic for any contracted services, professional services rendered by the Physicians under this Agreement.

9. BILLING

SCC shall make all collections from patients or third-party payors for Contracted Services provided to patients of SCC by the Physicians under this Agreement. The indemnification obligation specified at Section 6 shall extend to any claim, liability, or loss arising out of SCC's collection of such revenues, including the failure by SCC to conform to the requirements of any governmental or third-party payor. SCVMC shall and hereby does assign to SCC all of the Physicians' rights, if any, to monies due on account of Contracted Services rendered by Physicians to patients of SCC under this Agreement.

SCVMC shall ensure that each Physician shall, cooperate fully with SCC in facilitating such collections, including completion of all forms necessary for the collection of said monies. Under no circumstances shall SCVMC or Physician bill any third party payors for Contracted Services provided to patients of SCC under this Agreement. For services provided at SCVMC, SCVMC or Physician shall bill directly to SCC for SCC responsible patients, and to SCCHO for SCCHO responsible patients. The provisions of this Section 9 shall not affect the right of SCVMC to bill for services that are not contracted services or for services provided by the Physicians at sites other than Clinic.

10. INTENT OF PARTIES

It is not the intent of either SCC or SCVMC that any payments made under this Agreement be in return for the referral of ongoing business, if any, or in return for the purchasing, leasing, or ordering of any services other than the specific services described in this Agreement. All payments specified in this Agreement are consistent with what the parties reasonably believe to be a fair market value for the services provided.

11. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party without penalty upon sixty (60) days advance written notice. This agreement may be terminated by either party for cause upon written notice, provided that the defaulting party shall have a reasonable period of grace in which to cure any such default. Without limiting the generality of the foregoing, this Agreement is subject to termination upon the occurrence of any of the following events, each of which constitutes a default, breach or cause, under this Agreement.

- (I) SCC fails to make any payment to SCVMC required to be made hereunder and SCC fails to cure such default within ten (10) days after written notice has been given to SCC by SCVMC;
- (ii) Either party fails to keep, observe, or perform any agreement, duty, or responsibility assumed by it under this Agreement, and fails to cure such default in a reasonable manner within thirty (30) days after written notice thereof has been given to the defaulting party by the non-defaulting party;
- (iii) Either party may terminate this Agreement if either party receives notice of any Action, and the parties, acting in good faith, are unable to make the amendments necessary to comply with the Action, or the parties determine in good faith that compliance with the Action is impossible or infeasible. For purposes of this Section, Action shall mean: any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, State or local government or legislative body or any private agency; or any notice of a decision finding or action by any governmental or private agency, court or other third party which, in the opinion of

counsel to SCVMC, if or when implemented, would (a) revoke or jeopardize the status of any health facility license granted to SCC ; (b) revoke or jeopardize the federal, State or local tax-exempt status of SCVMC; or SCC subject to Physicians or SCC, or any of their respective employees or agents, to civil or criminal prosecution on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement.

12. USE OF NAMES AND LOGOS

Neither party shall be permitted to use the other's name, logo for any purpose without the prior written consent of the party whose name, logo is to be used; provided, however, that nothing herein shall prohibit SCC from using the SCVMC name solely to identify Physicians as employees of SCVMC.

13. NOTICES

All notices required by this Agreement shall be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address or addresses set forth below or on such other address as the party may designate in writing in accordance with this Section:

TO SCC: Charles M. Moody
Health Services Agency Administrator
County of Santa Cruz Health Services Agency
P.O. Box 962
1080 Emeline Avenue
Santa Cruz, CA 95061-0962

TO SCVMC: Robert Sillen
Executive Director
Santa Clara Valley Health & Hospital System
2220 Moorpark Avenue
San Jose, CA 95 128

14. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of SCVMC and its successors and assigns, and upon SCC and its successors and assigns.

15. GOVERNING LAW

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California.

16. NON-ASSIGNMENT

No assignment of this Agreement or of the rights and obligations hereunder shall be valid without the specific written consent of both parties.

17. RELATIONSHIP OF PARTIES

None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for the purpose of affecting the provisions of this Agreement. The parties are not, and shall not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party shall have the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided for herein.

18. AMENDMENTS

This Agreement and each Exhibit to this Agreement may be amended only by a written instrument signed by the parties.

19. ENTIRE AGREEMENT

This Agreement represents the entire Agreement of the parties and supersedes any previous agreements between the parties relating to the same subject matter.

20. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

21. WAIVER

No delay of failure to require performance of any provision of this Agreement shall constitute a waiver of the provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

This Agreement is signed in duplicate by the duly authorized representatives of the parties.

SANTA CRUZ COUNTY

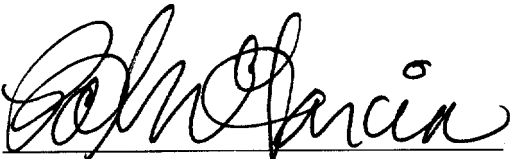
COUNTY OF SANTA CLARA

By: _____
Health Services Agency Administrator
County of Santa Cruz Health Services
Agency

By: _____
Executive Director
Santa Clara Health & Hospital System

Date: _____

Date: _____

By: 
Assistant County Counsel

Approved As To Form and Legality

By: _____
Deputy County Counsel

EXHIBIT A
DESCRIPTION OF SERVICES

Physicians providing services to Santa Cruz County patients under this Agreement shall be licensed in the State of California and specialized in orthopedic surgery, and shall perform services at the clinic at the Santa Cruz County Health Services Agency site on Emeline Avenue, Santa Cruz. The Physicians shall perform the following specific services:

1. Initially maintain a half-day clinic every two weeks. Level of staffing may increase upon further assessment. Any changes in schedule will require mutual agreement.
2. Provide follow-up care for patients seen at the local ER and referred by local orthopedists.
3. Assure that the Clinic complies with all applicable legal requirements, accreditation standards and certification standards as related to the medical aspects of orthopedic services.
4. Collaborate with Santa Cruz County Health Services Agency and Santa Cruz Health Options to assure quality services, through participation in quality assurance activities.
5. Assure proper utilization of orthopedic services through advice and consultation to referring physicians.

Santa Cruz County shall be responsible for the following services:

1. Provide pre-screen requirements and criteria to determine appropriate referrals to the Clinic.
2. Provide qualified and adequate support staff at the SCCHSA Clinic.
3. Perform pre-established ancillary services to patients prior to clinic visits.
4. Maintain an efficient and timely TAR process, including a pre-approved list of procedures.

EXHIBIT B
COMPENSATION

Physicians shall be reimbursed at One-Hundred and Twenty-Five Dollars (\$125) an hour.