

County of Santa Clara
Santa Clara Valley Health & Hospital System
Valley Medical Center
Ambulatory and Managed Care



HHS15 060909


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Ambulatory and Managed Care

DATE: June 9, 2009

TO: Board of Supervisors

FROM: 
Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Various Actions Related to Contracts Removed from FY10 Master Contracts List by the Finance and Government Operations Committee for Additional Information

RECOMMENDED ACTION

Consider recommendations relating to contracts removed from the FY10 Master Contracts List by the Finance and Government Operations Committee for additional information. Possible action:

- a. Approve delegation of authority to SCVHHS Chief Executive Officer, or designee, to negotiate, execute and amend Agreement with Larry Bonham, MD relating to providing managed care and physician activities and related services in an amount not to exceed \$200,000 for period July 1, 2009 through June 30, 2010, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2010.

- b. Approve delegation of authority to SCVHHS Chief Executive Officer, or designee, to negotiate, execute and amend Agreement with James C. Hall relating to providing planning and programming consulting services and related services in support of the Seismic Safety Project, extending the term from December 31, 2009 through June 30, 2010 and increasing the maximum compensation by \$200,000 to \$295,000, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on June 30, 2010.

FISCAL IMPLICATIONS

Funding for these contracts is included in the recommended FY10 Santa Clara Valley Medical Center (SCVMC) budget. The agreement with Dr. Bonham will be funded with Valley Health Plan funds. The agreement with Mr. Hall will be funded with Seismic Safety Project funds available in the SCVMC Capital Budget.

CONTRACT HISTORY

With the many changes occurring in health care delivery and financing at the Federal and State levels, coupled with the activities associated with Transformation 2010 and the Seismic Safety Project at SCVMC, the Ambulatory and Managed Care and Facilities departments contract with highly qualified and experienced consultants to provide needed services such as Strategic Business Planning, data systems implementation, and planning and programming consulting services.

The delegation of authority to execute agreements with Larry Bonham, MD and JM Watt Consulting were approved by the Board of Supervisors on May 20, 2008 as part of the FY09 Master Contracts List, for period from July 1, 2008 through June 30, 2009.

In May 2009, the County entered into a Service Agreement with James C. Hall for contracted services not to exceed \$95,000 to provide on-call planning and programming consulting services primarily for the Seismic Safety Project options and related SCVHHS Facility capital projects.

REASONS FOR RECOMMENDATION

On May 14, 2009, the Finance and Government Operations Committee considered the FY10 Master Contracts List submitted by the Office of Budget and Analysis (OBA). Three items were removed from the list by FGOC for additional information on the services to be provided under these contracts. This information was provided to the committee on June 2, 2009.

Larry Bonham, MD - The consulting services provided by Larry Bonham, MD support managed care and physician activities for Valley Health Plan (VHP). The cost of this FY10 agreement will be covered by Valley Health Plan.

Valley Health Plan has a budget of approximately \$136M with 62,000 insured lives. The growth in volume requires additional day-to-day physician management to provide clinical review of referrals for medical services, ongoing utilization review and quality management. At the present time, the Associate Medical Director position at Valley Health Plan (VHP) is vacant. Existing demands on the time of the SCVMC Medical Director precludes her from also assuming the acting Associate Medical Director duties at VHP. As there are legal requirements in having a Medical Director for

the health plan, Dr. Bonham has been fulfilling this role by overseeing the Utilization Management department and chairing the numerous meetings that occur weekly for VHP. Additionally, VHP is scheduled for a Department of Managed Health Care audit and Dr. Bonham is responsible for assuring compliance with state regulations at that audit. Once this position is filled, VHP will no longer need to contract for these services.

In addition, Dr. Bonham is advising Valley Health Plan on utilization and case management strategies for complex/high cost managed care patients. He is implementing a Case Management program to reside within Valley Express (VE), SCVMC's referral system, to support outside cost managed for the growing VHP enrollees. Dr. Bonham is working with the referral system to significantly improve the pass through of referrals. By adding health plan codes to the system to improve specificity of the authorizations, as well as develop new work flows for cross department processes, the number of referrals managed manually is expected to decrease by over 50%, resulting in a reduction of paperwork, provide for a more expeditious referral process, and ultimately increase patient satisfaction.

Prior to providing contracted services at SCVMC and VHP, Dr. Bonham served as Chief Executive Officer of Santa Clara County Individual Practice Association (SCCIPA) for 20 years. With over 800 physicians, SCCIPA is one of the largest medical groups in Northern California. He went on to serve as Chief Executive Officer of Pacific Partners Management Services Inc (PPMSI) when the company was incorporated. PPMSI develops Access Express Web-based utilization review/case management software with automated protocols, concurrent review and work flow management capabilities for which this application is currently being utilized at SCVMC. He has also consulted with various physician groups and other healthcare organizations including UniHealth, Columbia/HCA, and Milliman and Robertson.

At the request of the Finance and Government Operations Committee, the scope of work will be divided into two agreements. This transmittal is for the agreement with Dr. Bonham for the services to be provided to VHP. The agreement between SCVMC and Dr. Bonham will be brought to the Board in August.

JM Watt Consulting. FGOC requested additional information. Therefore, this agreement will be brought to the Board at a later date.

James Hall - Mr. Hall previously served Santa Clara Valley Medical Center as the Principal-in-Charge with SmithGroup Architects. During this engagement, Mr. Hall's charge was the planning, scheduling, budgeting and cash flow analysis related to the Seismic Safety Project.

Conceptual planning proposed re-using a portion of Old Main for connectivity. This requires a seismic upgrade and partial demolition of the two structures that comprise Old Main, coordinated with the construction and occupation of Bed Building 1, and backfill of the Rehabilitation Building with occupants from Old Main.

Discussions with OSHPD about this strategy have concluded that the seismic upgrade of Old Main must be planned for completion by the end of 2012 to be eligible for possible schedule extensions afforded by SB1661. This creates a very aggressive critical path schedule.

Mr. Hall will conduct analysis to determine how to achieve the required seismic compliance for Old Main and the other Stage 1 projects. His services will include feasibility planning and programming for the Seismic Safety Project. A second work assignment would be to provide program evaluation and layout for the Ancillary Building 2nd floor Special Procedures area for which SmithGroup provided initial conceptual planning. Services include analysis of alternative sites, site logistics, program alternatives, cost, schedule, and project feasibility.

Both projects are anticipated within the Seismic Safety Project (SSP) at the Santa Clara Valley Medical Center and funding is available within Seismic Safety Project (SSP) FY10 SCVMC Capital Budget. SCVMC does not have the expertise to perform the required services in-house.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended actions may impact the department's ability to contract with these highly qualified and experienced consultants.