

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

905



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
June 1, 2005

SUBJECT: Amendment to the Professional Medical Services Agreement between the County of Riverside and John W. Koett, MD, PhD, Incorporated

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Ratify the Professional Medical Services Agreement, effective June 1, 2005;
- 2) Authorize the Chairperson to sign three (3) copies of the Agreement; and
- 3) Retain one (1) copy and return two (2) copies of the executed Agreement to Riverside County Regional Medical Center Administration for distribution.

BACKGROUND: On June 19, 2001, Agenda Item No. 3.46, an Agreement was approved with John W. Koett, MD, PhD, Inc., for the provision of the full range of Pathology services at RCRMC. The Agreement was Amended on September 10, 2002, Agenda Item No. 3.30, extending the term of the Agreement for services provided by Dr. John Koett and his team of Pathology Professionals. Dr. Koett's group has actively participated in the hospital's last five (5) Joint Commission Surveys for accreditation. The latest survey, in 2004, yielded a score of 100% with no Type 1 recommendations.

(Continued on Page 2) FORM APPROVED
COUNTY COUNSEL

JUN 13 2005

BY *[Signature]*

Douglas D. Bagley
Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,108,333	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	NA	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	05/06

SOURCE OF FUNDS: Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:
APPROVE

County Executive Office Signature *Don Martin*

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: 9/10/02, 3.30;
6/19/01, 3.46

District:

Agenda Number:

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.40

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BACKGROUND (Continued):

RCRMC continues to maintain a high percentage of indigent patients, thus the medical center bills, collects, and retains funds for all pathology services provided at the Hospital. The unusual mix of specialized physician experience needed to manage the high acuity patient mix and extremely complex caseload of cases, in addition to the teaching and administrative duties, as well as the physicians' willingness to continue the performance based agreement, merit the continuation of this sole source agreement.

Patient volumes at RCRMC continue to increase, particularly in Orthopedic, Spine, OB/GYN, General Surgery, Neurosurgery, and Ophthalmology. Most, if not all, of these services require pathology evaluation and diagnosis of tissues. This Agreement is further Amended extending the term of the Agreement for an additional three (3) years with an annual adjustment to compensation for professional medical services.

All of the required services, including teaching and administrative responsibilities have been incorporated into the agreement that clearly outlines the duties, obligations, and responsibilities of the Contractor. The amount of the annual contract amount is outlined on Page 3 of this Form 11.

This Amendment has been approved as to form by Riverside County Counsel.

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FINANCIAL IMPACT:

John W. Koett, M.D., Ph.D., will provide four (4) FTE Pathologists, which includes the Chief of Service for a maximum annual cost as outlined below:

1) Maximum Annual Compensation per year:

Year 1 \$1,400,000 September 15, 2005 thru September 14, 2006

Year 2 \$1,500,000 September 15, 2006 thru September 14, 2007

Year 3 \$1,600,000 September 15, 2007 thru September 14, 2008

2) The County will bill and collect and retain funds for these Professional Pathology services.

3) There are financial penalties associated with lack of performance for Pathology services.

4) The term of the Agreement is three (3) years.

DB:CG:sg