



24-2658

**DATE:** February 6, 2024 (Item No. {{item.number}})

**TO:** Board of Supervisors

**FROM:** Paul Lorenz, Chief Executive Officer, Santa Clara Valley Healthcare

**SUBJECT:** Fourth Amendment to Administrative and Professional Services Agreement with CEP America-Anesthesia, PC (Vituity)

**RECOMMENDED ACTION**

Approve retroactive Fourth Amendment to Agreement with CEP America-Anesthesia, PC, relating to providing anesthesia coverage for surgical and obstetrics services, at O'Connor Hospital (SCVH-O'Connor) with no change to the maximum contract amount, and no change to the term of the Agreement, that has been reviewed and approved by County Counsel as to form and legality. (LA-1)

**FISCAL IMPLICATIONS**

Approval of the recommended action will not require modification to the Santa Clara Valley Healthcare (SCVH) FY 2023-2024 Adopted Budget. Funds to support this amendment are included in the services and supplies budget.

**CONTRACT HISTORY**

On March 1, 2019, The County of Santa Clara Health System assumed the contract from Verity Health System, under the Acquisition Delegation.

On July 1, 2020, the Seventh Amendment to the Verity Agreement for Anesthesia Services was executed under the Acquisition Delegation extending the term of the Anesthesia contract to August 31, 2020.

On October 20, 2020, a new Agreement with CEP America-Anesthesia, PC was executed by the Board of Supervisors to provide Anesthesia Services for O'Connor Hospital (SCVH-O'Connor) Surgical and Obstetrics services in the amount not to exceed \$9,077,796 for the period September 1, 2020, through August 31, 2021.

On August 31, 2021, the First Amendment to the County Agreement for Anesthesia Services was executed by the Board of Supervisors to increase the maximum contract amount by \$9,692,200 from \$9,077,796 to \$18,769,996 and extend the term of the Anesthesia contract to August 31, 2022.

Approved: 02/06/2024

On August 16, 2022, the Second Amendment to the County Agreement for Anesthesia Services was executed by the Board of Supervisors to increase the maximum contract amount by \$10,176,816 from \$18,769,996 to \$28,946,812 and extend the term of the Anesthesia contract to August 31, 2023.

On August 29, 2023, the Third Amendment to the County Agreement for Anesthesia Services was executed by the Board of Supervisors to increase the maximum contract amount by \$10,176,816 from \$28,946,812 to \$39,123,628 and extend the term of the Anesthesia contract to August 31, 2024.

## **REASONS FOR RECOMMENDATION AND BACKGROUND**

The retroactive Fourth Amendment to agreement with CEP America-Anesthesia, PC for the provision of surgical and obstetrics anesthesia services is being presented to the Board of Supervisors for approval for the additional locum tenens anesthesiologists to support surgical procedures in Operating Room #6 and to support the opening of Operating Room #7. Operating Room #7 will increase capacity and help alleviate sending patients outside the System for surgical care.

CEP America-Anesthesia, PC providers supplement operating room (OR) case coverage for employed staff members and provide flexibility to support fluctuations in case volume. Surgical volume at SCVH-O'Connor increased by 6% in Fiscal Year (FY) 2022-2023 and is expected to continue to grow due to increased overall utilization, as well as growth driven by new programs, such as the robotics program and bariatrics program.

The recommended action supports SCVH's Business Plan as it relates to maximizing revenue, hospital patient flow, and capacity, by ensuring that specialized surgical and obstetrics anesthesia care is available to support Santa Clara County residents.

CEP America-Anesthesia, PC (Vituity) is the current contractor for anesthesia services at SCVH-O'Connor and has been providing services since 2016. They currently provide anesthesia services to the hospital's surgical department (general and cardiac), as well as obstetrics services. These services are critical to SCVH-O'Connor's Surgical Department and allow patients to receive care in a timely matter. Although retroactive agreements are discouraged, retroactive approval is being requested due to delays in negotiating and finalizing this fourth amendment.

## **CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

## **SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

## **SUSTAINABILITY IMPLICATIONS**

The recommended action will have no/neutral sustainability implications.

## **CONSEQUENCES OF NEGATIVE ACTION**

Failure to approve will limit anesthesia support of anticipated OR volume growth.

## **STEPS FOLLOWING APPROVAL**

Upon approval, the Clerk of the Board will immediately send one signed copy of the agreement to the SCVH-O'Connor – Contract Department, 2105 Forest Ave, San Jose, CA 95128, Attn: Barbara Mellin.

## **ATTACHMENTS:**

- Agreement-CEP America Anesthesia-Anesthesia (PDF)
- Agreement-Amend 1-CEP America-Anesthesia PC 9-1-2021v3 (WD) (002)Clean (WD)final(2) vendor & legal signed
- Agreement-Amend 2-CEP America-Anesthesia PC 9-1-2022 Fully Executed by the BOS (PDF)
- Amend 3-CEP America-Anesthesia PC-Vendor Signed Legal Signed
- Amend 4-CEP America Anesthesia, PC (Vituity)-12.01.23 final vendor & legal signed