

County of Santa Clara
Santa Clara Valley Health & Hospital System
Santa Clara Valley Medical Center
Hospital Administration



97143

DATE: August 13, 2019

TO: Board of Supervisors

FROM: Paul E. Lorenz, Chief Executive Officer, SCVMC

SUBJECT: Salary Ordinance Amendment related to Positions, Expenses, and Revenue of Hospitals

RECOMMENDED ACTION

Adoption of Salary Ordinance No. NS-5.19.129 amending Santa Clara County Salary Ordinance No. NS-5.19 relating to compensation of employees deleting and adding various positions in Santa Clara Valley Medical Center Hospitals and Clinics.

- Action to Introduce and Preliminarily adopt on June 18, 2019; Roll Call Vote to waive reading, Roll Call Vote to adopt.
- Action for Final Adoption on August 13, 2019; Roll Call Vote to adopt.

FISCAL IMPLICATIONS

The recommended action, if approved, would make adjustments within the payroll budget of the Santa Clara Valley Medical Center Hospitals and Clinics (SCVMC). The related salary ordinance adds 102.0 FTE position at an estimated ongoing cost of \$17.8 million and deletes 30.0 FTE positions at an estimated ongoing cost of \$5.2 million in order to align with current staffing needs. The number and cost of positions being added is greater than the number and cost of positions being deleted so there is a need to offset the cost temporarily with salary savings and services and supplies costs.

In the upcoming weeks, SCVMC staff will identify additional positions that can be deleted in order to completely offset the cost of the positions being added. In August, SCVMC plans to bring another salary ordinance and appropriation modification before the Board of Supervisors to delete additional positions and adjust the payroll budget for SCVMC.

CONTRACT HISTORY

Not applicable.

REASONS FOR RECOMMENDATION

This ordinance ensures appropriate clinical staffing is available at SCVMC to support ongoing operations and integration of new hospitals facilities.

The reconciliation of all vacant positions, especially the non-clinical positions, which have been previously approved will continue, and Administration will return to the Board in August 2019 with additional positions that can be deleted in order to align with the appropriated payroll while meeting current and projected service needs.

The additional clinical nursing staff in this request will reduce the reliance on high cost outside registry staffing agencies and support quality of care improvements that come from a stabilized clinical workforce. The timing of this request also allows the County to take advantage of the Health System-wide nursing recruitments currently underway for these critical positions.

CHILD IMPACT

The recommended action will have a positive impact on children and youth by allowing the County to provide enhanced hospital and medical services, as well as access to the general population of Santa Clara County, which includes children and youth.

SENIOR IMPACT

The recommended action will have a positive impact on seniors by allowing the County to provide enhanced hospital and medical services, as well as access to the general population of Santa Clara County, which includes seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have positive environmental sustainability implications by increasing the availability of public health resources and access in Santa Clara County.

BACKGROUND

On October 1, 2018, an Asset Purchase Agreement was filed with the Bankruptcy Court regarding the County's potential purchase of nearly all of the Santa Clara County property and assets from Verity (the Property) subject to Bankruptcy Court proceedings and approval, and subject to the County's legal requirements regarding the purchase of the Property, including consideration for approval by the Board.

On October 9, 2018 (Item No. 7), the Board of Supervisors adopted a resolution delegating authority to the County Executive or the Chief Operating Officer to negotiate, execute, amend, assume, or terminate contracts, amendments, assignments, leases, licenses, or other documentation necessary to continue operations at the Acquired Hospitals, contingent upon the County's purchase of these assets. Delegation of authority expires on June 30, 2019.

On October 16, 2018 (Item No. 93), the Board approved the addition of 1,379 positions in the Santa Clara Valley Medical Center (SCVMC) budget to support core functions at the Acquired Hospitals in the event of their acquisition by the County. Since then, position numbers have been re-evaluated and revised in the salary ordinance included with Legislative File 94476.

On November 20, 2018 (Item No. 84), the Board approved the addition of 931 positions for

SCVMC, the Employee Services Agency, Sheriff's Office, Technology Services and Solutions Department, and County Counsel to support functions at the Acquired Hospitals in the event of their acquisition by the County.

On December 18, 2018 (Item No. 63), the Board approved Salary Ordinance No. NS-5.19.58 (second reading January 15, 2019) and Appropriation Modification No. 157, repealing prior ordinances related to the Verity acquisition, creating 1,173 positions, and establishing a base operating budget within SCVMC for the Acquired Hospitals.

On January 29, 2019 (Item No. 42), the Board approved Salary Ordinance No. NS-5.19.71 (second reading February 12, 2019), Executive Leadership Salary Ordinance No. NS-20.18.07, and Appropriation Modification No. 203. These ordinances updated positions to align with all positions currently filled at the Acquired Hospitals.

On February 26, 2019 (Item No. 37), Salary Ordinance No. NS-5.19.91 was submitted to the Board for first reading. This ordinance made additional updates to positions to ensure alignment with all positions currently filled at the Acquired Hospitals.

On March 12, 2019 (Item No. 36), the Board approved Salary Ordinance No. NS-5.19.97 (second reading April 9, 2019). This ordinance made additional updates to positions in County classifications to ensure alignment with all positions currently filled at the Acquired Hospitals.

On March 12, 2019 (Item No. 48), the Board approved Salary Ordinance No. NS-5.19.99 (second reading April 9, 2019). This ordinance added 67.0 FTE positions for the Technology Services and Solutions (TSS) Department, 8.0 FTE positions for the Employee Services Agency (ESA), 5.0 FTE positions for the Procurement Department, 3.0 FTE positions for the Controller- Treasurer Department, and 3.0 FTE positions for the Office of the County Executive to support the integration of the Acquired Hospitals.

On May 21, 2019 (Item No. 51), the Board approved Salary Ordinance No. NS-5.19.102 (second reading June 4, 2019). This ordinance added 12.7 FTE positions and deleted 8.1 FTE positions within the Santa Clara Valley Medical Center (SCVMC). The recommended action also added 4.0 FTE positions for the Technology Services and Solutions Department (TSS).

The Employee Services Agency supports the recommended action.

CONSEQUENCES OF NEGATIVE ACTION

The budget will not be updated to reflect the costs of positions previously approved by the Board and needed to staff and operate the Acquired Hospitals.

STEPS FOLLOWING APPROVAL

The Clerk of the Board of Supervisors will notify Matthew Harrington in SCVMC Finance.

LINKS:

- References: 94476 : 94476
- Linked To: 94848 : 94848
- Linked To: 94952 : 94952

- Linked To: 95176 : 95176

ATTACHMENTS:

- NS-5.19.129 -VMC - Delete various positions and add various positions (PDF)

HISTORY:

06/18/19 Board of Supervisors ADOPTED (PRELIM.)

Next: 08/13/19