



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

Requested Board Meeting Date: June 6, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): The University of Arizona (VC0000000016) dba Arizona Board of Regents

Project Title/Description:

Fifth Amendment to the Agreement among Pima County, Arizona Board of Regents, and Banner Health

Purpose:

To provide continued funding in support of operations of the hospital at Banner-University Medical Center South Campus and the University of Arizona College of Medicine Graduate Medical Education Program.

Procurement Method:

Program Goals/Predicted Outcomes:

Since the opening of Kino Community Hospital in 1977, Pima County has provided comprehensive healthcare at this facility for residents of Pima County. In 2004, the County entered into a partnership with University Physicians, Inc, which has transitioned to the current Agreement with Banner-University Medical Center. These partnerships are developed to provide a vehicle for ensuring the professional operation of the hospital as part of Pima County's commitment to providing quality healthcare and strengthening the development of the health industry workforce in our community.

Public Benefit:

Since the transition of operations occurred, the hospital has become a modern full-service facility and has seen significant increases in adjusted patient days, provider clinic visits, Emergency Department visits, and surgical procedures performed onsite. The Graduate Medical Education program has also expanded dramatically as a result. Partnering with Banner-University Medical Center has enabled the County to significantly decrease the cost of operating the hospital since 2003 and has greatly increased productivity. Additionally, Banner-UMC South Campus is the single largest provider of involuntary commitment services in Pima County, which is a statutorily mandated function the County would have significant difficulty in meeting if Banner-UMC South Campus ceased operations.

Metrics Available to Measure Performance:

Pima County regularly reviews a variety of performance measures that are detailed in Attachment A-3 of Amendment 4 and which remain in place unchanged in Amendment 5. They include review and monitoring of monthly financial statements, contracts, operating and capital budgets, audits, clinical statistics related to patient volume and services offered and procedures done, monitoring behavioral health services provided onsite, as well as training programs and organizational trends and operations.

Retroactive:

No.

To BOS 5/24/17 (3)
Ver: 11
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Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$ _____ Revenue Amount: \$ _____

Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards

Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards

Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: CT Department Code: OMS Contract Number (i.e., 15-123): 14-434

Amendment No.: Five AMS Version No.: 11

Effective Date: July 1, 2017 New Termination Date: June 30, 2019

Expense Revenue Increase Decrease Amount This Amendment: \$ 15,000,000 per year

Funding Source(s): General Fund, Behavioral Health Department

Cost to Pima County General Fund: \$15,000,000 per year (\$30,000,000 over the two year extension)

Contact: Garrett L Hancock

Department: Health

Telephone: 724-7833

Department Director Signature/Date: [Signature] FOR F6 5/24/2017

Deputy County Administrator Signature/Date: [Signature] 5/24/2017

County Administrator Signature/Date: [Signature] 5/24/17

(Required for Board Agenda/Addendum Items)

Fifth Amendment to the Agreement Among Pima County, The Arizona Board of Regents, and Banner Health Relating to the Operation and Funding of a Hospital on Banner-University Medical Center South Campus and The University of Arizona College of Medicine Graduate Medical Education Program

This fifth amendment ("Amendment"), is entered into by and among Pima County, a body politic and corporate of the State of Arizona ("County"); the Arizona Board of Regents ("ABOR"); and Banner Health on behalf of Banner University Medical Center Tucson Campus, LLC and Banner University Medical Center South Campus, LLC ("Banner") collectively referred to as the Parties.

Recitals

- A. The parties previously entered into an Agreement dated June 15, 2010 with respect to funding the University of Arizona College of Medicine ("UACOM") public health and education mission, including support of the UACOM's two-hospital education and clinical system.
- B. On July 1, 2012 the Parties amended the Agreement to reflect the reorganization and renaming of the integrated system and to extend the County's funding commitment through July 31, 2014.
- C. On August 1, 2014 the Parties again amended the Agreement to refine and restate the goals of the Agreement, provide additional funding to further the progress made toward the achievement of those goals, shorten the termination notice period, and address capital improvement funding and disposition.
- D. On February 28, 2015 Banner Health and the University of Arizona Health Network, Inc. merged resulting in Banner Health being the sole corporate member of Banner University Medical Center Tucson Campus, LLC and Banner University Medical Center South Campus, LLC.
- E. The Parties wish to extend the term of the Agreement and continue funding of the Agreement through fiscal year 2019.

Accordingly, in exchange for ABOR's and Banner's commitments and their compliance with all the terms and conditions of the Agreement, the Parties agree as follows:

- 1. The second sentence of Attachment B-3 Funding and Reporting Paragraph 1 is modified to read as follows: For activities and reporting occurring July 1, 2017 through June 30, 2019, the County will within ten business days of submission of proof to and approval by County of each of the set of reports or deliverables, pay to ABOR a sum not to exceed Fifteen Million Dollars (\$15,000,000), per fiscal year, in monthly installments of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000).

The Parties have executed this Agreement as of the dates indicated below:

PIMA COUNTY:

ARIZONA BOARD OF REGENTS:

Sharon Broneon
Chair of the Board of Supervisors



Date: _____

Date: 3-2-17 _____

ATTEST:

Clerk of the Board of Supervisors

BANNER HEALTH:



Its EVP, Academic
Delivery

APPROVALS AS TO FORM:

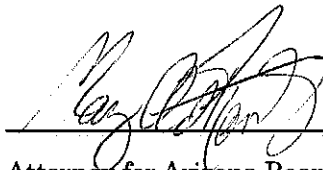
The foregoing Agreement among Pima County, the Arizona Board of Regents and Banner Health has been reviewed and pursuant to A.R.S. §11-952 by the undersigned, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party represented by such attorney.

PIMA COUNTY:



Deputy County Attorney

ARIZONA BOARD OF REGENTS:



Attorney for Arizona Board of Regents