Kern County supervisors want to take a closer look at how Kern Medical Center is planning to reform physician contracts at the county-owned hospital.

Doctor contracts at KMC have been a toxic subject since Supervisor Michael Rubio targeted OB-GYN contracts for reform early in his first term.

Supervisors rewrote the contracts, causing a heated dispute with the doctors and bad blood that still lingers.

On Tuesday, supervisors used a proposed $1.3 million, three-year contract with KMC Chief of Surgery Maureen Martin to launch a running discussion of doctor contracts with KMC Chief Executive Officer Paul Hensler.

KMC Chief Executive Officer Paul Hensler.

Martin’s contract approval was delayed to mid-April to give time for the board to develop a pay philosophy.

Hensler said the new process of billing professional fees would have fees paid into an enterprise fund for the physician and that will give the county full disclosure of those fees.

In the old system, he said, the doctors were paid directly and then wrote KMC a check.

“I strongly believe that the physician (pay system) has to be run as a business enterprise,” he said. Also, he said, the system has to have tight oversight.
"We're not trying to take anything away from the physicians," Supervisor Ray Watson said. "We just want something that is understandable, accountable and controllable."

Hensler said a pay for service system is the best way to run pay. But there has to be some sort of base pay for physicians at a hospital where many patients cannot pay for the services they receive.

The transition is tough on doctors, he said.

"We have a lot of physicians who were residents here and have never been anywhere else," Hensler said. "There's a little bit of a leap of faith from moving from a protected income to a fee for service."

Rubio resisted a call to approve Martin's contract and then apply future changes to that contract at a later date.

"If I wasn't as scarred by similar situations when I was told, by a different (KMC) CEO, that we can change the faculty pay plan and then change the contract, only to find out we can never change that contract ..." Rubio said.