

822



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

FROM: Community Health Agency/Department of Public Health

SUBMITTAL DATE:
March 10, 2011

SUBJECT: Ratify the agreements between the Community Health Agency and Vantage Medical Group to settle upon moneys owed to the County for health services rendered.

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Ratify two (2) agreements between the Community Health Agency Health and Vantage Medical Group to settle on moneys owed to the County in the amounts of \$330,315 and \$117,704 for health services rendered, and;
- 2) Authorize the Chairman of the Board of Supervisors to sign three originals of each agreement on the behalf of the County, and
- 3) Approve and Direct the Auditor-Controller to adjust the budget as specified in Schedule A.

(Continued on page 2)

KB:dp

Susan D. Harrington

 Susan D. Harrington
 Director, Public Health Department

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 448,019	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	10/11

SOURCE OF FUNDS: 100 % funded by Vantage Medical Group	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Debra Cournoyer

 Debra Cournoyer

County Executive Office Signature

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 3/14/11
 SAMUEL WONG

Departmental Concurrence

FORM APPROVED COUNTY COUNSEL
 BY: *Neal R. Kipnis* 3/14/11
 NEAL R. KIPNIS DATE

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

Prev. Agn. Ref.: _____ | District: All | Agenda Number: _____

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.5

Form 11

SUBJECT: Ratify the agreements between the Community Health Agency and Vantage Medical Group to settle upon moneys owed to the County for health services rendered.

Page 2

BACKGROUND: The Community Health Agency, Department of Public Health Family Care Centers (DOPH) were providers of primary health care for assigned patients of Vantage Medical Group for the performance period of September 25, 2008 to October 1, 2009. The payment methodology in place was a per member per month capitation agreement. In June 2009, Vantage Medical Group notified the DOPH that they would be changing the payment method from the per member per month arrangement to a fee for service arrangement to be effective July 1, 2009. The DOPH optioned to terminate the contract with Vantage Medical Group and assign their patients to Inland Empire Health Plan, to be effective October 1, 2009. Both parties agreed to the contract termination to be effective October 1, 2009 in order to provide a smooth transition for the patients.

Vantage Medical Group has cooperated in the settlement of moneys owed to the County for the service period of July 1, 2009 to October 1, 2009 as represented in the written agreements between Vantage Medical Group and the DOPH. One agreement specifically addresses patients covered under IEHP membership, and the second agreement addresses patients other than those covered under IEHP membership Molina, Blue Shield and Health Net.

An audit was completed by IEHP to confirm the accuracy of the moneys owed to the County. The Department of Public Health has a high level of confidence in the results of the audit to be complete and accurate.

FINANCIAL INFORMATION:

The funds received from Vantage will be used for operational expenses.

FROM: Community Health Agency/Department of Public Health

SUBJECT: Ratify the agreements between the Community Health Agency and Vantage Medical Group to settle upon moneys owed to the County for health services rendered.

SCHEDULE A

(Internal Use Only)

Community Health Agency

Department of Public Health

Budget Adjustment

FISCAL Year 2010/2011

INCREASE IN APPROPRIATIONS:

10000 4200100300 6572 521640 Maint Software	\$	448,019
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TOTAL INCREASE IN APPROPRIATIONS:	\$	448,019
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INCREASE IN ESTIMATED REVENUE:

10000 4200100300 6572 781360 Other Misc Revenue	\$	448,019
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TOTAL INCREASE IN ESTIMATED REVENUE:	\$	448,019
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FROM: Community Health Agency/Department of Public Health

SUBJECT: Ratify the agreements between the Community Health Agency and Vantage Medical Group to settle upon moneys owed to the County for health services rendered.

SCHEDULE A

(External Use Only)

Community Health Agency

Department of Public Health

Budget Adjustment

FISCAL Year 2010/2011

INCREASE IN APPROPRIATIONS:

10000 4200100000 521640	Maint Software	\$	448,019
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TOTAL INCREASE IN APPROPRIATIONS:		\$	448,019
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INCREASE IN ESTIMATED REVENUE:

10000 4200100000 781360	Other Misc Revenue	\$	448,019
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TOTAL INCREASE IN ESTIMATED REVENUE:		\$	448,019
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RETRO CAPITATION SETTLEMENT AGREEMENT

This Settlement Agreement and Mutual Release ("Settlement Agreement") is entered into by and between **Riverside County Community Health Agency** ("Provider") and **Vantage Medical Group** ("IPA"), a California corporation.

A. IPA, which contracts with payors (collectively, "Health plans") for the purpose of providing health care services to health plan enrollees assigned to IPA.

B. Provider is a provider of health care services that has rendered services to IPA members.

C. IPA desires to satisfy all obligations owed by IPA to Provider for retroactive capitation payment for July, August, and September 2009 for services to provider IEHP members for same period. "Consideration" below, effective November 23, 2010 ("Settlement Date").

NOW, THEREFORE, in consideration of the mutual covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Compromise and Releases.** Provider hereby releases and forever discharges Client, IPA members, and IPA, individually and their members, directors, officers, agents, shareholders, employees, trusts, heirs, beneficiaries, executors, administrators, assigns, successors in interest, parents, subsidiaries, affiliated corporations, and attorneys, and each of them, from liability on any claim or cause of action for damages, specific performance or other relief of any kind whatsoever that now exists or has in the past existed arising out of any retro capitation rendered to IPA IEHP members (See Exhibit A) whether such retro capitation or causes of action are contingent or mature, and whether such retro capitation or causes of action are currently known or unknown to the parties.

2. **Consideration.** As consideration for this Settlement Agreement, IPA shall pay Provider concurrently with the complete execution of this Settlement Agreement the sum of **\$330,315.00** over six monthly installments of **\$55,052.50** each month beginning December 15, 2010. These payments shall satisfy and be accepted as payment in full for all retro capitation.

3. All payments are due on the date specified and shall be made payable to the order of **Riverside County Community Health Agency**. In the event the IPA defaults on one or more of the aforesaid payments, default meaning nonpayment of less than the full amount of any one or more of said payments on the respective dates specified, and IPA have not cured said default after ten (10) days written notice, Provider may enforce the entire balance payable in 30 days.

4. **Attorney's Fees.** In the event that any dispute arises in connection with this Settlement Agreement, and either party commences an action or proceeding to resolve the dispute, the prevailing party in such action or proceeding shall be entitled to recover its expenses incurred in connection with such action or proceeding, including reasonable attorneys' fees and costs.

5. **Integration.** This Settlement Agreement sets forth the entire agreement between the parties with regard to the payment and final satisfaction of all retro capitation arising from services rendered as listed. All agreements, covenants, representations and warranties of the parties, express and implied, oral and written, with regard to all retro capitation contained into this Agreement. Except for the compromise and such said settlement, any agreement between Provider and IPA for services to IPA IEHP members shall remain in effect.

6. **Authority of Persons Executing Settlement Agreement.** Each party warrants that the person signing below on its behalf is fully authorized to do so, and that this Settlement Agreement is fully binding and effective on and against each party set forth below.

VANTAGE MEDICAL GROUP:

Signature _____

Print Name _____

Title _____

Date _____

PROVIDER:

Signature _____

Print Name _____

Title _____

Date _____

Date _____

ATTEST:Kecia Harper-Ihem, Clerk of the Board
By _____

FORM APPROVED COUNTY COUNSEL

BY: Neal R. Kipnis
NEAL R. KIPNIS

3/8/11
DATE

RETRO CAPITATION SETTLEMENT AGREEMENT

This Settlement Agreement and Mutual Release ("Settlement Agreement") is entered into by and between **Riverside County Community Health Agency** ("Provider") and **Vantage Medical Group** ("IPA"), a California corporation.

A. IPA, which contracts with payors (collectively, "Health plans") for the purpose of providing health care services to health plan enrollees assigned to IPA.

B. Provider is a provider of health care services that has rendered services to IPA members.

C. IPA desires to satisfy all obligations owed by IPA to Provider for retroactive capitation payment for July, August, and September 2009 for services to provider IEHP members for same period. "Consideration" below, effective November 23, 2010 ("Settlement Date").

NOW, THEREFORE, in consideration of the mutual covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Compromise and Releases.** Provider hereby releases and forever discharges Client, IPA members, and IPA, individually and their members, directors, officers, agents, shareholders, employees, trusts, heirs, beneficiaries, executors, administrators, assigns, successors in interest, parents, subsidiaries, affiliated corporations, and attorneys, and each of them, from liability on any claim or cause of action for damages, specific performance or other relief of any kind whatsoever that now exists or has in the past existed arising out of any retro capitation rendered to IPA Health Plan members other than IEHP (See Exhibit A) whether such retro capitation or causes of action are contingent or mature, and whether such retro capitation or causes of action are currently known or unknown to the parties.

2. **Consideration.** As consideration for this Settlement Agreement, IPA shall pay Provider concurrently with the complete execution of this Settlement Agreement the sum of **\$117,704.00** over six monthly installments of **\$19,617.33** each month beginning December 15, 2010. These payments shall satisfy and be accepted as payment in full for all retro capitation.

3. All payments are due on the date specified and shall be made payable to the order of **Riverside County Community Health Agency**. In the event the IPA defaults on one or more of the aforesaid payments, default meaning nonpayment of less than the full amount of any one or more of said payments on the respective dates specified, and IPA have not cured said default after ten (10) days written notice, Provider may enforce the entire balance payable in 30 days.

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6. **Authority of Persons Executing Settlement Agreement.** Each party warrants that the person signing below on its behalf is fully authorized to do so, and that this Settlement Agreement is fully binding and effective on and against each party set forth below.

VANTAGE MEDICAL GROUP:

Signature _____

Print Name _____

Title _____

Date _____

PROVIDER:

Signature _____

Print Name _____

Title _____

Date _____

Date: _____

ATTEST:Kecia Harper-Ihem, Clerk of the Board

By _____

FORM APPROVED COUNTY COUNSEL

BY: Neal R. Kipnis
NEAL R. KIPNIS

3/20/11
DATE

COMMUNITY HEALTH AGENCY
PAYMENT RECONCILIATION
For Months June 2009 - September 2009

ZZHE0003	For Month	July-09	Aug-09	Sept-09	SHILOVECHA
Care 1st Advantage - Medicare	\$ 720.00	368 \$ 5,627.25	387 \$ 5,878.25	363 \$ 5,512.25	\$ 17,017.75
Health Net/MCAL - Medicaid		88 \$ 1,342.00	82 \$ 1,250.50	69 \$ 1,052.25	\$ 3,644.75
Health Net - Healthy Family		9 \$ 720.00	8 \$ 640.00	5 \$ 400.00	\$ 1,760.00
Health Net - Medicare		3 \$ 240.00	3 \$ 240.00	3 \$ 240.00	\$ 720.00
MD Care - Medicare		129 \$ 1,967.25	97 \$ 1,479.25	103 \$ 1,570.75	\$ 5,017.25
Molina Healthcare of Southern Calif - Healthy Family		974 \$ 14,747.75	988 \$ 14,951.25	999 \$ 15,129.00	\$ 44,838.00
Molina Healthcare of Southern Calif - Medicaid		\$ 1,200.00	\$ 1,120.00	\$ 960.00	\$ 960.00
Molina Medicare Options - Medicare		\$ 24,644.25	\$ 24,449.25	\$ 23,904.25	\$ 72,997.75
Total ZZHE0003	\$ 720.00	\$ 24,644.25	\$ 24,449.25	\$ 23,904.25	\$ 72,997.75
Check #	350194	354954	356149	360074	361496
Check Date	7/24/2009	8/14/2009	8/21/2009	9/25/2009	10/13/2009
ZZHE0069	For Month	July-09	Aug-09	Sept-09	SHILOVECHA
Care 1st Advantage - Medicare	\$ 720.00				
Blue Shield - Healthy Family		2 \$ 30.50	2 \$ 30.50		\$ 61.00
Health Net/MCAL - Medicaid		449 \$ 6,800.25	444 \$ 6,747.50	389 \$ 5,908.75	\$ 19,496.50
Health Net - Healthy Family		46 \$ 701.50	50 \$ 762.50	49 \$ 747.25	\$ 2,211.25
Health Net - Medicare		1 \$ 80.00	1 \$ 80.00		\$ 160.00
MD Care - Medicare		15 \$ 1,200.00	15 \$ 1,200.00	15 \$ 1,200.00	\$ 3,600.00
Molina Healthcare of Southern Calif - Healthy Family		24 \$ 366.00	22 \$ 335.50	24 \$ 366.00	\$ 1,067.50
Molina Healthcare of Southern Calif - Medicaid		387 \$ 5,890.00	414 \$ 6,290.00	393 \$ 5,989.75	\$ 18,149.75
Molina Medicare Options - Medicare		\$ 480.00	\$ 480.00	\$ 480.00	\$ 480.00
Total ZZHE0069	\$ 720.00	\$ 15,068.25	\$ 15,446.00	\$ 14,191.75	\$ 44,706.00
Check #	350195	354955	356150	360075	361497
Check Date	7/24/2009	8/14/2009	8/21/2009	9/25/2009	10/13/2009
TOTAL	For Month	July-09	Aug-09	Sept-09	SHILOVECHA
Blue Shield - Healthy Family		2 \$ 30.50	2 \$ 30.50		\$ 61.00
Health Net/MCAL - Medicaid		818 \$ 12,427.50	831 \$ 12,625.75	752 \$ 11,421.00	\$ 36,474.25
Health Net - Healthy Family		134 \$ 2,043.50	132 \$ 2,013.00	118 \$ 1,799.50	\$ 5,856.00
Health Net - Medicare		10 \$ 800.00	9 \$ 720.00	5 \$ 400.00	\$ 1,920.00
MD Care - Medicare		18 \$ 1,440.00	18 \$ 1,440.00	18 \$ 1,440.00	\$ 44,280.25
Molina Healthcare of Southern Calif - Healthy Family		153 \$ 2,333.25	119 \$ 1,814.75	127 \$ 1,936.75	\$ 6,084.75
Molina Healthcare of Southern Calif - Medicaid		1,361 \$ 20,637.75	1,402 \$ 21,251.25	1,392 \$ 21,098.75	\$ 62,987.75
Molina Healthcare of Southern Calif - Medicare					\$ 69,072.50
TOTAL	\$ -	\$ 39,712.50	\$ 39,895.25	\$ 38,096.00	\$ 117,703.75