

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

619



**FROM:** Riverside County Regional Medical Center (RCRMC)

**SUBMITTAL DATE:**  
3/2/06

**SUBJECT: APPROVE THE AGREEMENTS FOR THIRD PARTY ELIGIBILITY SERVICES WITH RIVERSIDE COUNTY REGIONAL MEDICAL CENTER (RCRMC)**

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve and execute the agreements with Comspec, Inc. and Health Advocates, and;
2. Authorize the Purchasing Agent to move dollars between these agreements as needs dictate as long as the aggregate amount does not exceed \$800,000. annually, and;
3. Authorize the Purchasing Agent to exercise the option to renew annually for up to four additional one year periods up to the maximum amount of \$800,000 dollars annually.

**BACKGROUND:**

RCRMC has contracted on a contingent basis since 1995 with two firms providing third party eligibility services for difficult and complex settlement issues, specifically whereby identification of patients' third party coverage is not readily obtained.

In May 2005, County Purchasing on behalf of RCRMC issued the formal request for proposal (RFP) number PUARC683 to research the market again for experienced and qualified firms to provide third party eligibility and insurance recovery services at the most economical cost.

DB:CM

*Douglas D. Bagley*

Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$233,333.35	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	0	Budget Adjustment:	No
	Annual Net County Cost:	0	For Fiscal Year:	05/06

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE**

*Lisa Brandl*

**County Executive Office Signature**

- Dept. Recomm.:
- Per Exec. Ofc.:
- Consent:
- Policy:

**Prev. Agn. Ref.:**

**District:**

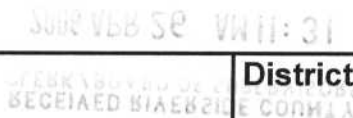
**Agenda Number:**

**ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD**

3.31

Departmental Concurrence

Purchasing: *M. [Signature]*  
Assistant Director



**SUBJECT: APPROVE THE AGREEMENTS FOR THIRD PARTY LIABILITY SERVICES WITH RIVERSIDE COUNTY REGIONAL MEDICAL CENTER (RCRMC)**

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**BACKGROUND (Continued):**

These contingency based services provide an increase to RCRMC's collections due to the experience, skill and expertise these firms bring to this specialty.

Based on the current experience from these firms, this arrangement would provide approximately 4.75 million in revenue if the total annual aggregate maximum payment is made to the contractors.

In addition, experience has shown the diversification of third party eligibility services with more than one firm has contributed to more collections and an increase to RCRMC operational revenue.

**PRICE REASONABLENESS:**

Six firms submitted proposals in response to RFP PUARC683. The proposals were reviewed thoroughly by an evaluation team made up of RCRMC Patient Accounting Manager and staff. After review of the proposals, it was determined that specific categories for activities and accounts were necessary to compare costs. All six firms were asked to submit a percentage of compensation for each category they would be responsible for. Three responsive responsible firms offering the lowest overall cost were selected to participate in a Best and Final negotiation with County Purchasing and RCRMC. The two incumbent firms Comspec, Inc. and Health Advocates offered the overall lowest cost to the County based on their percentage of compensation for the categories with the largest number of accounts and highest dollars to RCRMC. The rates offered in the new contracts for the various categories are equal or lower to the current contracted rates.

**FINANCIAL IMPACT:**

The current fiscal year total cost is based on three and one half months of services in the amount of \$233,333.35, for the period ending June 30, 2006.

Subsequent contract fiscal year renewals shall not exceed the aggregate amount of \$800,000. annually.