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



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

**SUBMITTAL DATE:**  
4/18/08

**SUBJECT: APPROVE THE INCREASE TO THE AGREEMENTS FOR THIRD PARTY  
LIABILITY SERVICES WITH RCRMC**

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

- 1) Approve the increase of \$800,000 to the overall aggregate amount for Compspec and Health Advocates, for an annual maximum amount not to exceed 1.6 million; and
- 2) Authorize the Chairman to execute the amendments; and
- 3) Direct the Clerk of the Board to retain one original and return two (2) original copies of the amendment to Riverside County Regional Medical Center - Contract Administration.

**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 and on May 2, 2006, agenda item 3.31 the Board of Supervisors approved the agreements with Compspec and Health Advocates as the lowest overall cost to the County.

DB/cm

*Douglas D. Bagley*  
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Douglas D. Bagley, Hospital Director

**FINANCIAL  
DATA**

Current F.Y. Total Cost:	\$800,000.00	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	0	Budget Adjustment:	No
Annual Net County Cost:	0	For Fiscal Year:	07/08

**SOURCE OF FUNDS:** 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

BY: *Debra Cournoyer*  
Debra Cournoyer

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY: *Robert M. Pepper, Jr.* 5/1/08 DATE  
ROBERT M. PEPPER, JR.

Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

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

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**BACKGROUND (Continued):**

This increase is due to increased settlements on third party payments for accounts assigned to these two contractors and the net result of the increase to the contractors represents an estimated four million in revenue to RCRMC.

In addition, these contractors have assisted more patients who require their experience and resources including visits to patients homes, assisting in the completion of the required paperwork. These increased efforts to qualify patients for third party programs benefit RCRMC by increasing revenue.

**PRICE REASONABLENESS:**

Comspec, Inc. and Health Advocates offer 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 uniform rates offered have remained the same as in the original contracts.