

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

803



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
July 1, 2009

SUBJECT: Amendment to the Per Diem Hospital Agreement between the County of Riverside and Molina Healthcare of California ("Molina")

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Ratify the Amendment to the Riverside County Regional Medical Center (RCRMC) hospital agreement with the Molina effective October 1, 2008;
- 2) Authorize the Chairperson to sign two (2) copies of the Amendment;
- 3) Retain one (1) copy and return one (1) copy of the executed Amendment to Riverside County Regional Medical Center (RCRMC) for distribution.

BACKGROUND: On August 13, 1996 agenda no. 3.27, the Board of Supervisors approved the hospital per diem agreement between RCRMC and Molina to provide Hospital services. This Amendment will allow RCRMC to participate in a supplemental Managed Care payment program which will provide additional funding to public hospitals. The agreement was further amended adding language to guarantee that all funds will be expended for health care service by the Hospital. This language was added at the direction of the Centers for Medicare and Medicaid Services (CMS).

(continued on page 2)

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FORM APPROVED COUNTY COUNSEL
BY: TAWNY V. LIEU
DATE: 7-7-09

Departmental Concurrence

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

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

C.E.O. RECOMMENDATION:

APPROVE

Debra Cournoyer
BY: Debra Cournoyer

County Executive Office Signature

Policy

Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3/17/09 3.59 | **District:** | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.100

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BACKGROUND (Continued):

The net benefit to RCRMC will be approximately \$2 million this fiscal year. The hospital has completed a similar amendment with Inland Empire Health Plan (IEHP).

This Amendment has been approved as to form by County Counsel.

AMENDMENT

TO THE

HOSPITAL SERVICES AGREEMENT

This Amendment to the Hospital Services Agreement ("Amendment") is made by and entered into, by and between Molina Healthcare of California (hereinafter "Molina" and/or "Plan") and Riverside County Regional Medical Center (hereinafter "HOSPITAL"), (each individually referred to herein as "Party", and together referred to as the "Parties"), in order to modify the Hospital Per Diem Agreement dated the 13th day of August, 1996 (as amended, the "Agreement");

NOW THEREFORE, PLAN and HOSPITAL hereby agree as follows:

A. The language of Exhibit B. Conditions for Receiving Supplemental Payments is hereby amended to add the following subsection:

"(5) (a) The LMSPs shall represent compensation for services rendered to PLAN members by HOSPITAL during the State fiscal year to which the LMSP applies.
(b) To the extent that total payments received by HOSPITAL in any State fiscal year under this Agreement exceed the cost of services provided to PLAN members by HOSPITAL during that fiscal year, any remaining LMSP amounts shall be retained by HOSPITAL to be expended for health care services. HOSPITAL may use retained LMSP amounts in either the State fiscal year received or subsequent State fiscal years. (2) For purposes of subsection (1) (a) above, if the LMSPs are not used by HOSPITAL in the State fiscal year received, retention of funds by HOSPITAL will be established by demonstrating that the retained earnings account of HOSPITAL at the end of any State fiscal year in which it received payments based on LMSPs funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMSPs received, but not used. These retained HOSPITAL funds may be commingled with other County funds for cash management purposes."

B. Notwithstanding the date of execution, unless otherwise referenced, this Amendment shall be effective October 1, 2008 and shall terminate on September 30, 2009.

C. All other terms and conditions of the Agreement, as amended, are to remain in full force and effect.

D. HOSPITAL certifies that the individual signing herein has authority to execute this Amendment on behalf of HOSPITAL, and may legally bind HOSPITAL to the term and conditions of this Amendment, and any attachments hereto.