

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

829



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
September 1, 2009

**SUBJECT:** Amendment to the Per Diem Hospital Agreement between the County of Riverside and Inland Empire Health Plan ("IEHP")

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

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

**BACKGROUND:** On June 19, 1996 agenda no. 3.24, the Board of Supervisors approved the hospital per diem agreement between RCRMC and IEHP to provide Hospital services. The First Amendment allowed RCRMC to participate in a supplemental Managed Care payment program which will provide additional funding to public hospitals. The agreement is further amended adding language to guarantee 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)

DB:cg

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

FORM APPROVED COUNTY COUNSEL  
BY: *TAVNY LIEU* 7-29-09 DATE: \_\_\_\_\_  
Departmental Concurrence

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

|  |                                  |                          |
|--|----------------------------------|--------------------------|
| <b>SOURCE OF FUNDS:</b> 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

BY: *Debra Courmoyer*  
Debra Courmoyer

**County Executive Office Signature**

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

Prev. Agn. Ref.: 11/25/08 3.35 | District: | Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.93

**SUBJECT: Amendment to the Per Diem Hospital Agreement between the County of Riverside and Inland Empire Health Plan ("IEHP")**

**Page 2**

**BACKGROUND (Continued):**

The net benefit to RCRMC will be approximately \$6.5 million this fiscal year. The hospital has completed a similar amendment with Molina Healthcare of California ("Molina").

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

SECOND AMENDMENT  
TO THE HOSPITAL PER DIEM AGREEMENT  
BETWEEN  
INLAND EMPIRE HEALTH PLAN  
AND  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

WHEREAS, the Inland Empire Health Plan ("IEHP"), IEHP Health Access ("Health Access") (known collectively as "IEHP HEALTH PLAN"), and RIVERSIDE COUNTY REGIONAL MEDICAL CENTER ("HOSPITAL") agree to amend the Hospital Per Diem Agreement, as amended, between them dated April 1, 2007, (the "Agreement");

NOW THEREFORE, the parties agree as follows:

A. The language of Section 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 Second 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.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date written in the opening paragraph of this Amendment.

**RIVERSIDE COUNTY REGIONAL  
MEDICAL CENTER**

By: *Douglas D. Bagley*

Name Douglas D. Bagley

Title Hospital Director

Date: 6/10/09

By: \_\_\_\_\_  
Chairperson, Board of Supervisors

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Clerk of the Board

Date: \_\_\_\_\_

Approved as to Form and Content:

PAMELA J. WALLS, County Counsel

By: *Pamela J. Walls*

Date: 7-23-09

INLAND EMPIRE HEALTH PLAN

IEHP HEALTH ACCESS

By: Bradley P. Gilbert  
Bradley P. Gilbert, M.D.  
Chief Executive Officer

By: Bradley P. Gilbert  
Bradley P. Gilbert, M.D.  
Chief Executive Officer

Date: 7/2/09

Date: 7/2/09

By: Bob Buster  
Bob Buster, Chairperson  
Inland Empire Health Plan  
Governing Board

By: Bob Buster  
Bob Buster, Chairperson  
Inland Empire Health Plan  
Governing Board

Date: 7-13-09

Date: 7-13-09

Attest: Vickie Hargrove  
Vickie Hargrove, Secretary  
Inland Empire Health Plan

Attest: Vickie Hargrove  
Vickie Hargrove, Secretary  
Inland Empire Health Plan

Date: 7-13-09

Date: 7-13-09

Approved as to Form and Content:

Approved as to Form and Content:

PAMELA J. WALLS,  
County Counsel

PAMELA J. WALLS  
County Counsel

By: B.T. Miller  
Jinny H. Rogers B.T. Miller, Deputy County Counsel  
Attorneys for Inland Empire Health Plan

By: B.T. Miller  
Jinny H. Rogers B.T. Miller, Deputy County Counsel  
Attorneys for IEHP Health Access

Date: 7/13/09

Date: 7/13/09