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

FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
July 26, 2011

SUBJECT: Amendment to the Professional Services Agreement with Hanger Prosthetics & Orthotics, Inc.

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Ratify and authorize the Chairman of the Board to execute the Amendment with Hanger Prosthetics & Orthotics, Inc. to add an additional \$50,000 to the contract amount not to exceed the aggregate amount of \$230,000 annually, effective June 1, 2011; and
- 2) Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision for up to ten percent the annual amount.

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$230,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/2012

SOURCE OF FUNDS: 78% Hospital Enterprise Funds; 22% Riverside County Health Care	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

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Per Exec. Ofc.:

Consent Policy

Consent Policy

3.59

FOR APPROVED COUNTY COUNSEL
 BY: *Neal R. Kipnis*
 DATE: _____
 Departmental Concurrence
 Purchasing: *Mark Seiler*
 Mark Seiler, Assistant Director
 Policy Policy
 Consent Consent

SUBJECT: Amendment to the Professional Services Agreement with Hanger Prosthetics & Orthotics, Inc

BACKGROUND: (Continued)

Riverside County Regional Medical Center (RCRMC) surgeons require a contractor to provide orthotic and prosthetic patient care services with a trained and experienced critical care service provider.

On May 18, 2010, County Purchasing on behalf of RCRMC released a Request for Proposal (RFP #MCARC139), to secure prosthetic and orthotic services for the hospital. Hanger Prosthetics & Orthotics, Inc. was awarded the contract. On August 10, 2010; agenda item number 3.54, the Board approved the Professional Services Agreement with Hanger for \$180,000 annually, with the option to renew for four-(4) additional one-year periods.

In January 2011, the Department of Health Care Services (DHCS) released program applications for all eligible entities to participate in the Low Income Health Program (LIHP), which provides entities the opportunity to help build the bridge to the health care reforms of 2014. The LIHP consists of the Medicaid Coverage Expansion (MCE) and the Health Care Coverage Initiative (HCCI) programs. These programs provide health care benefits to eligible persons in accordance with the Welfare & Institutions Code (WIC) Section 15909 - 15915 (Chapter 723, Statutes of 2010, Assembly Bill 342), and the Special Terms and Conditions (STCs) of the federal section 1115(a) California Bridge to Reform Demonstration. RCRMC in conjunction with, other Riverside County departments partnered with Inland Empire Health Plan (IEHP) in administering the service which implements the requirements of LIHP. Through this collaborative partnership, the requirements for the LIHP were developed and incorporated in the Riverside County HealthCare (RCHC) program. RCHC is Riverside County's new health care program to help bridge to the health care reforms of 2014. Patients eligible to participate in RCHC will have the opportunity to receive services through specific referrals.

As RCHC develops and expands, considerable demand for prosthetic and orthotic services will escalate. The additional \$50,000 increase to the annual contract amount will allow RCRMC along with RCHC to expand the services and increase referrals to medically treat patients residing throughout Riverside County.

PRICE REASONABLENESS:

Hanger's fee schedule remains the same and is consistent with the current fiscal year's fee schedule. Hanger has a customized rate schedule for all orthotic and prosthetic coded services. Their rates are equivalent to Medi-Cal rates for the procedures billed and are discounted 42.6% off of their charges.

FINANCIAL IMPACT:

78% Hospital Enterprise Funds; 22% Riverside County Health Care

REVIEW/APPROVAL:

County Counsel & County Purchasing

DB:ns

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
WITH**

HANGER PROSTHETICS & ORTHOTICS, INC.
(Prosthetics & Orthotics Services)

That certain Agreement between County of Riverside (COUNTY) and **Hanger Prosthetics & Orthotics, Inc.**, (CONTRACTOR), initially approved by the Board of Supervisors August 10, 2010, Agenda Item No. 3.54, is hereby amended as follows:

1. Amend the language of Section **3.0 Period of Performance**, to include the following:

"This Amendment extends the period of the Agreement effective June 1, 2011, with the option to renew through the County's annual amendment process through June 30, 2015, unless terminated as otherwise provided herein."

2. Amend the language of **Section 4.0 Compensation**, to include the following:

"This Amendment increases the total aggregate amount of the contract not to exceed \$230,000 annually."

3. Amend **Section 4.0 Compensation**, to include the following:

"4.9 CONTRACTOR shall submit to COUNTY separate claims pertaining to services rendered for patients identified under the Riverside County Health Program (RCHP)."

4. Amend **Exhibit A, Scope of Work**, in the contract agreement to include the following:

"1.11 CONTRACTOR shall provide orthotic and prosthetic services to COUNTY patients referred through Riverside County Health Program (RCHP)."

"1.12 CONTRACTOR shall clearly identify RCHP patients and submit separate claim(s) for services rendered."

5. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

CONTRACTOR
Hanger Prosthetics & Orthotics, Inc.

By: 

Katie Burkholder

Type or Print Name

National Director, Contracts

Type or Print Title

Date: May 25, 2011

COUNTY OF RIVERSIDE

By: _____

Bob Buster

Type or Print Name

Chairman

Type or Print Title

Date: _____

FORM APPROVED COUNTY COUNSEL

BY: 
NEAL R. KIPNIS

DATE