

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

131



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
August 28, 2012

SUBJECT: Approval of the Participating Facility Network Agreement with FedMed, Inc. for hospital services

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Approve the Participating Facility Network Agreement with FedMed, Inc..effective September 1, 2012; and
- 2) Authorize the Chairperson to sign three (3) copies of the agreement; and
- 3) Direct the Clerk of the Board to return all three (3) copies of the signed originals to Riverside County Regional Medical Center Administration. Upon final execution of the agreement, a fully executed agreement will be returned to the Clerk of the Board.

BACKGROUND: FedMed, Inc. is a National Provider Network contracted with Insurance Companies,
(continued on Page 2)

Douglas D. Bagley

Douglas D. Bagley, Hospital Director

FINANCIAL DATA	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:	2012/2013

SOURCE OF 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

Policy Policy

Consent Consent

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

Prev. Agn. Ref: ATTACHMENTS FILED **District:** All **Agenda Number:**

WITH THE CLERK OF THE BOARD

3.83

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS
Date: 8/31/12
Concurrence

SUBJECT: Approval of the Participating Facility Network Agreement with FedMed, Inc. for hospital services

BACKGROUND:

Third Party Administrators (TPAs) and Self Administered Employer Groups to provide network development and medical claims processing service for their clients. FedMed has requested Riverside County Regional Medical Center (RCRMC) join their network of hospital providers as several of their clients/payors have requested RCRMC to be included in the hospital provider network. As a contracted provider, RCRMC will receive payment within forty (40) days from receipt of the hospital's claim for health care services. If the hospital does not receive payment within forty (40) days, RCRMC may elect to not honor the contractual discount.

REVIEW/APPROVAL:

County Counsel has approved the agreement as to legal form.

DB:cg

FedMed Participating Facility Network Agreement

This Agreement is entered into as of the 1st of September, 2012, between FedMed, Inc., hereinafter referred to as ("FedMed") and the County of Riverside (COUNTY), a political subdivision of the State of California, on behalf of the Riverside County Regional Medical Center, which includes the facilities listed in Attachment A, hereinafter referred to as ("Facility").

Whereas, FedMed contracts with healthcare Facilities to participate in its Facility network (Network).

Whereas, FedMed is a non-risk bearing healthcare network that contracts with Clients and Payors with respect to the rendering of Facility services for the benefit of such Payor groups who contract with FedMed or a FedMed Client. Facility acknowledges and accepts that FedMed is not an insurer, indemnifier, or provider of health care benefits.

Whereas, Facility wishes to enter into an agreement with FedMed to participate in Network established by FedMed.

Now therefore, in consideration of the promises and mutual covenants herein contained, FedMed and Facility agree as follows:

Section 1. Definitions

- 1.1 "Charges" means actual charges for services provided to Covered Members.
- 1.2 "Client" means an entity having an Agreement with FedMed for FedMed to provide services to its Payors.
- 1.3 "Covered Members" means all eligible persons for which Payor is liable under the then current terms and conditions of Payor's Health Benefit Program including, but not limited to, participant, dependent, retiree and COBRA beneficiaries.
- 1.4 "Covered Services" means any health care services provided by Facility to Covered Members for which benefits are available under the Covered Members' Health Benefit Program.
- 1.5 "Health Benefit Program" means the written documents of a Payor, whether insured or self-insured, including Payor sponsored health savings card programs, which describe the health care benefits which Covered Members are entitled to receive and the terms and conditions under which payment of the benefits will be made.
- 1.6 "Payor" means any self-insured employer, Provider organization, health maintenance organization, insurance company, third party administrator, organizations that provides worker's compensation programs, organizations that provide policies of automobile insurance, government programs, health savings card company, or any other entity and/or the clients of any of these entities which is responsible under a Health Benefit Program to pay or arrange for Services for Covered Members and which has an active Payor Agreement with FedMed.
- 1.7 "Payor Agreement" means an agreement between FedMed and Payor or FedMed Client and Payor which provides Covered Members access to FedMed's Network.

- 1.8 “Facility” refers to all health facilities who are signatories to the Participating Facility Network Agreement with FedMed.
- 1.9 “Facility Network Agreement” means an Agreement between FedMed and hospitals, physicians, allied health professionals, diagnostic centers, and any other ancillary health care facilities that form the Network.
- 1.10 “Services” means all available facility services provided to Covered Members by Facility.

Section 2. FedMed Obligations

- 2.1 FedMed agrees that Payors are incentivized to utilize the FedMed Network through cost savings and that all Payors offer their Covered Members financial incentives/benefits to utilize FedMed. Actions by Payor to create such Covered Members’ financial incentive /benefit shall, at a minimum, include one or more of the following (i) reducing or eliminating individual or family deductibles; (ii) making Facility known and available to Covered Members; (iii) offering shared savings to Covered Members; (iv) placing Covered Members who choose to see a non-contracted Facility at risk for a minimum of 10% of billed charges.
- 2.2 FedMed shall market the FedMed Network to health insurance carriers, third party administrators, case management and utilization review firms, Taft- Hartley Trusts, self-insured employers and other Payors.
- 2.3 FedMed shall provide Facility with a listing of Clients of FedMed and shall, upon request, make available to Facility access to updated Client listings via the FedMed website.
- 2.4 FedMed shall assist Facility in resolving questions and issues revolving around Payors’ Health Benefit Programs.
- 2.5 FedMed shall make best efforts to ensure that Payors reimburse Facility for clean undisputed claims for Covered Services within forty (40) days of receipt by Payor. If reimbursement exceeds forty (40) days, Facility may elect to not honor the contractual discount.
- 2.6 Payors shall be entitled to the benefit of the discount only with respect to Covered Members who are entitled to access the FedMed network pursuant to Payor Agreements. FedMed shall make best efforts to ensure that Payors clearly identify the FedMed network on Covered Members’ Insurance Identification Cards or Explanation of Benefits (EOB). In the event that FedMed is not identified on the Covered Members’ Insurance Identification Card or Explanation of Benefits (EOB), Facility may elect not to honor the discount.
- 2.7 FedMed shall require each Payor to make available to Facility a prompt and reliable method of verifying eligibility of Covered Members.
- 2.8 FedMed shall perform administrative duties necessary to maintain Facility directories for distribution either electronically or in paper format to Clients and Payors.
- 2.9 FedMed warrants that it has made its best efforts in evaluating each Payor for its ability to meet the requirements specified in this Agreement and based on that evaluation asserts that Payors can reasonably meet the requirements or responsibilities herein.

- 2.10 FedMed agrees to indemnify Facility from any and all liability, loss, damage, claim or expense of any kind including costs and attorneys' fees which result from negligent or willful acts or omissions by FedMed, its agents or employees regarding the duties and obligations under this Agreement.
- 2.11 FedMed shall cause the acceleration of Payors' payments to Facility for medical claims for Services submitted by Facility to Payors. Accelerated payment by Payor to Facility shall be made within thirty (30) calendar days from the ending date of Service on the medical claim.
- 2.12 FedMed shall pay interest on the amount paid by Payors for such medical claims when Payors fail to make payment to Facility under the terms set forth in 2.11 above. Interest shall be computed at an annual rate of 5.1% and shall accrue from the ending date of Service until the date the medical claim is paid. Interest payments will be made quarterly.

Section 3. Facility Obligations

- 3.1 Facility agrees to render Health Services to all Covered Members in accordance with the standards and procedures established and utilized by Facility for all of its patients and in accordance with Covered Members' Health Benefit Plan.
- 3.2 Facility agrees to submit all billings for said Health Services to each Payor either electronically or through the mail on a CMS 1500, UB04 or other form approved by FedMed indicating all charges rendered to Covered Members. Facility shall use best efforts to submit claims to Payor immediately following Covered Members' discharge/visit but no later than one year from discharge/visit.
- 3.3 Facility agrees to not assert a claim against FedMed, Payor or Client of Payor for Health Services rendered to Covered Members which are not covered under Payor's Health Benefit Program. Facility may bill Covered Members directly for such services not payable by the Payor.
- 3.4 Facility agrees to possess and keep current such licenses, certifications and malpractice insurance as required by law for the duration of this Agreement.
- 3.5 Facility agrees to maintain for the duration of this Agreement professional liability insurance coverage for Facility, its employees, agents, and independent contractors, such insurance shall be no less than one million dollars per occurrence and three million dollars in annual aggregate.
- 3.6 Facility shall, upon request, provide FedMed proof of having met all licensing requirements, insurance requirements, and a copy of its most recent application for professional liability insurance coverage or equivalent self-insurance documentation.
- 3.7 Facility agrees to notify FedMed of all changes, additions and deletions to Attachment A which lists all Facilities which are hereby made a part of this Agreement.
- 3.8 Facility agrees not to discriminate against Covered Members because of race, gender, color, marital status, sexual orientation, age, religion, national origin, or source of payment.
- 3.9 Facility agrees to make best efforts to cooperate with Payors' reasonable utilization review programs, medical necessity and standard of care assessment programs, coordination of benefit activities, and cost containment guidelines as provided for under the Covered Members' Health Benefit Program.

- 3.10 Facility agrees to reasonably cooperate with FedMed's or Payor's grievance procedures, if any, in the resolution of any Covered Members' complaint or grievance that may arise from facility's provision of care.
- 3.11 Facility shall maintain medical, financial and other records or data with respect to Covered Members seen or treated by Facility that are consistent with HIPAA, industry norms, prudent record keeping procedures and the requirements of applicable federal and state law.
- 3.12 Facility agrees to indemnify FedMed from any and all liability, loss, damage, claim, or expense of any kind including costs and attorneys' fees which result from negligent or willful acts or omissions by Facility under this Agreement.

Section 4. Term and Termination

- 4.1 The initial term of this Agreement shall become effective as of the entered date indicated on the first page of this Agreement, and shall continue in full force and effect for successive periods of one year.
- 4.2 Either Party may terminate this Agreement without cause by providing the other party with ninety (90) days written notice.
- 4.3 If Facility determines, in its sole discretion, that a Payor's Health Benefit Program or other business policies and procedures are unreasonable, Facility may notify FedMed with sixty days (60) written notice of its intention to terminate such specific Payor.

Section 5. General Provisions

- 5.1 Severability. In the event any term or provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or applicable state law, or by any applicable duly promulgated regulation, or is declared null and void by any court of competent jurisdiction, the remainder of the provisions of this Agreement shall remain in full force and effect.
- 5.2 Waiver of Rights. Failure to exercise any right under this Agreement shall not act as a waiver of such right. Waiver of any specific provision of this Agreement shall not be deemed a waiver of any subsequent occasion or of any other provision.
- 5.3 Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision of this Agreement.
- 5.4 Payment Appeals Deadline. Payment to Facility by Payor Clients of any claim shall be final twelve (12) months after date of payment and neither Facility, FedMed nor its Payor Clients shall have further recourse.
- 5.5 Assignment. This Agreement shall not be assigned or transferred by either party without the prior written consent of the other party. The parties agree that either party may assign its rights and obligations hereunder to any entity which it controls, is controlled by, or with which it is under common control.
- 5.6 Amendments. This Agreement contains all the understandings between the parties and may not be amended, altered or changed, except by an amendment in writing executed by both parties.

- 5.7 Title Not to Affect Interpretation. The headings of this Agreement are for convenience only, and form no part of this Agreement and shall not affect its interpretation.
- 5.8 Entire Agreement. This Agreement contains all the terms and conditions agreed upon by the parties hereto regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations or representations, either oral or written, relating to the subject matter of this Agreement not expressly set forth in this Agreement are superseded.
- 5.9 Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by the state of the Facility's business location.
- 5.10 Status of the Parties. FedMed and Facility are independent legal entities. Nothing in this Agreement shall be construed or be deemed to create a relationship of employer and employee, or principal and agent. FedMed and Facility are independent parties contracting with each other solely to carry out the provisions of this Agreement for the purposes recited in this Agreement.
- 5.11 Proprietary Rights. Both Facility and FedMed have developed symbols, trademarks, service marks and other proprietary information, including in the case of FedMed, its Facility Network and agreements related thereto. Each party shall not use the proprietary information or trade secrets of the other party without prior written consent of that party and shall cease the use of any such proprietary information immediately upon the termination of this Agreement.
- 5.12 Use of Facility's Name. Facility authorizes FedMed to identify and publish Facilities name, address, telephone number, and available services in information materials and marketing materials used by FedMed and to provide Facility's Tax Identification Number to Clients and Payors for payment purposes. FedMed agrees that Facility may identify itself as a Facility in the FedMed Network.
- 5.13 Notice. Any notice given pursuant to this Agreement shall be in writing and delivered by United States Postal Service. Notices including termination, breach of contract and change of address shall be sent to FedMed by certified mail. Notice shall be effective upon date of postmark.

FedMed Address: Provider Contracting
 FedMed, Inc.
 800 King Farm Blvd
 Rockville, Maryland 20850

- 5.14 Participant's Rights. Facility and FedMed reserve the right to amend or terminate this Agreement without giving notice to, or obtain consent of, any Covered Members or any Payors. This Agreement is not a third party beneficiary contract and shall not, in any respect whatsoever, increase the rights of any Covered Members, any Payors, or any other third party with respect to FedMed or Facility or the duties of FedMed or Facility to Covered Members or Payors, or create any rights or remedies on behalf of Covered Members or Payors against FedMed or Facility.
- 5.15 Force Majeure. The duties and obligations of the parties to this Agreement are limited in the event of circumstances beyond their control, such as major disaster, epidemic, war, complete or partial destruction of facilities, disability of a significant number of staff, or significant labor dispute. In such event, the parties hereto agree to use their best efforts under the circumstances to fulfill their duties and obligations under this Agreement.

Section 6. Miscellaneous

- 6.1 This Agreement shall be binding upon and inure to the benefit of Facility, FedMed and their respective successors and permitted assigns.
- 6.2 This Agreement becomes a binding contract only after it has been executed by a representative of both Facility and FedMed.

Section 7. Facility Reimbursement

- 7.1 Total reimbursement to Facility under the terms and conditions of this Agreement shall be 95% of Facility's standard billed charges or fees. Some portion of the total reimbursement may be due from Covered Members depending on their Health Benefit Program.
- 7.2 Facility shall indicate charges on claims for FedMed Covered Members at their same usual and customary rates as for all patients.
- 7.3 Facility agrees to accept as compensation in full for all Facility Services rendered to Covered Members, amounts not to exceed those amounts specified in this section, without balance billing the Covered Members. Unless otherwise noted in this Agreement, all entities billing under the Facility's Tax Identification Number will be subject to the rates specified in this section.
- 7.4 Facility may bill Covered Members any amounts not payable by the Payor, such as copayments, co-insurance, deductibles, and non-covered services in accordance with the Covered Members' Health Benefit Program.

IN WITNESS WHEREOF, Facility and FedMed, each acting by its representative, have signed below causing this Agreement to be duly executed as of the date and year entered on page one.

FedMed, Inc.

Riverside County Regional Medical Center
(Facility)

By: _____

By: DBagley

Print Name: _____

Print Name: Douglas D. Bagley

Title: _____

Title: Hospital Director/CEO

Date: _____

Date: 7/24/12

Approved:
County of Riverside

By: _____

John Tavaglione
Chairman, Board of Supervisors

Date: _____

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPPHUS 0, 8/2011
DATE: 7/24/12

**FedMed
Participating Facility Network Agreement**

**Attachment A
Facility Demographics and Location(s)**

List below or attach to Attachment A all of the Facilities which are hereby made a part of this Agreement, inclusive of physical address, phone number, tax ID number, NPI, and billing address. In addition, if individual practitioners are made a part of this Agreement, please submit the following additional data elements: License Number(s) and DEA Number(s). Electronic data accepted.

Tax I.D. #: 95-6000930

Phone #: (951) 486-4000

NPI: 182 115 91 95

Address: 26520 Cactus Avenue

Moreno Valley, Ca 92555