

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

922



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
October 10, 2014

**SUBJECT:** APPROVAL OF FIRST AMENDMENT TO THE AGREEMENT WITH THOMPSON ALLIANCE [ALL DISTRICT; \$2,344,750; ENTERPRISE FUNDS]

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

1. Approve and authorize the Chairman of the Board to execute the First Amendment to the Agreement with Thomson Alliance, Inc. to increase the maximum contract amount from \$937,900 to an amount not to exceed \$2,344,750 effective November 1, 2014 through June 30, 2015, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement, and to allow the Purchasing Agent to increase the compensation amount not more than ten percent of the aggregate amount.

**BACKGROUND:**

**Summary**

Case management is essential in obtaining increased revenue for Riverside County Regional Medical Center (RCRMC). Case management must apply proven case management methodology which includes but is not limited to; review of medical records to assure appropriateness of admission and services;

*Zareh Sarrafian*  
Zareh Sarrafian  
Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 2,344,750	\$ 0	\$ 2,344,750	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund 100%	<b>Budget Adjustment:</b> No
	<b>For Fiscal Year:</b> 14/15

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Debra Cournoyer*  
Debra Cournoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COUNSEL 10/16/14  
BY: GREGORY P. PRIAMOS  
Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 07/01/14; 3-41

District: ALL

Agenda Number:

**3-19**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: APPROVAL OF FIRST AMENDMENT TO THE AGREEMENT WITH THOMPSON ALLIANCE [ALL  
DISTRICT; \$2,344,750; ENTERPRISE FUNDS]**

**DATE:** October 10, 2014

**PAGE:** Page 2 of 2

**BACKGROUND:**

**Summary (continued)**

ensure that medical documentation meets InterQual criteria (this criteria is used by case management as a set of measurable, clinical indicators, as well as diagnostic and therapeutic services reflecting the need for hospitalization; thus they serve as the criteria for all acute hospital care); recommend physician second level review for those cases deemed to have questionable supporting documentation; and work with the case management leadership and staff to educate on proper process and protocol.

Case management review services are needed to ensure adequate supporting documentation is provided for cases awaiting Medi-Cal approval. In accordance with Medi-Cal guidelines, certain medical procedures and services are subject to authorization by Medi-Cal before reimbursement can be approved. Authorization requests are made with a Treatment Authorization Request (TAR), a form needed to pre-approve funding for treatment. Authorization requirements are based on Federal and State law. Accurate and timely processing is required to preserve reimbursement revenue in the millions of dollars.

**Impact on Citizens and Businesses**

This service impacts the patients residing in Riverside County receiving care from the hospital. Both timely support and supplementing the hospital's resources, will improve the ability to collect on outstanding claims.

**Contract History and Price Reasonableness**

On July 1, 2014, agenda item number 3-41, the Board of Supervisors approved the professional services agreement with Thomson Alliance to provide case management on TAR backlogs. This first amendment with Thomson Alliance requests for an additional 15,000 review case days; approximately an additional \$1,406,850—with an estimated project completion date by June, 2015. The return on investment will net approximately \$16 million in net revenue.

Currently, Thomson Alliance has completed a total of 6,600 reviewed days that earned RCRMC a projected return of over \$10,000,000. Upon completion of the remaining review days, it is expected Thomson Alliance will produce another \$6,000,000 for the hospitals net revenue. To ensure the backlog of cases remains manageable and the hospital maintains control of these cases in the future, hospital administration is working eagerly in their recruitment for skilled individuals, while current case managers continue to receive ongoing training on the InterQual system. Furthermore, the Hospital's Case Management Administrative department will conduct a small sample assessment of the backlog at the Arlington Inpatient Treatment Facility (ITF) to assess if it is beneficial to extend the case reviews for that site. If the hospital determines further assistance is required to work on the case backlog at the Arlington facility, RCRMC may request if needed, the Board's approval to add additional funds at a later date upon further analysis.

By conducting business with Thomson Alliance, it has helped generate reimbursement in the millions of dollars by means of achieving financial gain from Medi-Cal reimbursement. Through this partnership it safeguards accurate, quality reviews and timely submission to the Department of Health.

ZHS:ns

**FIRST AMENDMENT TO THE AGREEMENT**

**WITH**

**THOMSON ALLIANCE, INC.**  
(Case Management Review Services)

That certain Agreement between County of Riverside ("COUNTY") and **Thomson Alliance, Inc.**, ("CONTRACTOR"), approved by the Board of Supervisors on July 1, 2014; Agenda Item No. 3-41, is hereby amended as follows:

1. Amend the language in **Section 3. Compensation, subsection 3.1**, to read as follows:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payment by COUNTY to CONTRACTOR's shall not exceed two million three hundred forty-four thousand seven hundred fifty dollars (\$2,344,750) annually including all expenses. The County is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

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

**IN WITNESS WHEREOF**, the parties have executed this Amendment.

CONTRACTOR  
**Thomson Alliance, Inc.**  
By: *Nicole R. Thomson*  
NICOLE R. THOMSON  
Type or Print Name  
CHIEF EXECUTIVE OFFICER  
Type or Print Title

COUNTY OF RIVERSIDE  
By: \_\_\_\_\_  
\_\_\_\_\_  
Type or Print Name  
\_\_\_\_\_  
Type or Print Title

Date: 10/14/14

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

FORM APPROVED COUNTY COUNSEL  
BY: *Neel R. Kipnis*  
NEAL R. KIPNIS DATE 10/14

**FIRST AMENDMENT TO THE AGREEMENT**  
**WITH**  
**THOMSON ALLIANCE, INC.**  
(Case Management Review Services)

That certain Agreement between County of Riverside ("COUNTY") and **Thomson Alliance, Inc.**, ("CONTRACTOR"), approved by the Board of Supervisors on July 1, 2014; Agenda Item No. 3-41, is hereby amended as follows:

1. Amend the language in **Section 3. Compensation, subsection 3.1**, to read as follows:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payment by COUNTY to CONTRACTOR's shall not exceed two million three hundred forty-four thousand seven hundred fifty dollars (\$2,344,750) annually including all expenses. The County is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

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

**IN WITNESS WHEREOF**, the parties have executed this Amendment.

CONTRACTOR  
**Thomson Alliance, Inc.**  
By: *Nicole R. Thomson*  
NICOLE R. THOMSON  
Type or Print Name  
CHIEF EXECUTIVE OFFICER  
Type or Print Title  
Date: 10/14/14

COUNTY OF RIVERSIDE  
By: \_\_\_\_\_  
\_\_\_\_\_  
Type or Print Name  
\_\_\_\_\_  
Type or Print Title  
Date: \_\_\_\_\_

FORM APPROVED COUNTY COUNSEL  
BY: *Neal R. Kipnis*  
NEAL R. KIPNIS DATE 10/15/14

**FIRST AMENDMENT TO THE AGREEMENT**

**WITH**

**THOMSON ALLIANCE, INC.**  
(Case Management Review Services)

That certain Agreement between County of Riverside ("COUNTY") and **Thomson Alliance, Inc.**, ("CONTRACTOR"), approved by the Board of Supervisors on July 1, 2014; Agenda Item No. 3-41, is hereby amended as follows:

1. Amend the language in **Section 3. Compensation, subsection 3.1**, to read as follows:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payment by COUNTY to CONTRACTOR's shall not exceed two million three hundred forty-four thousand seven hundred fifty dollars (\$2,344,750) annually including all expenses. The County is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

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

**IN WITNESS WHEREOF**, the parties have executed this Amendment.

CONTRACTOR  
**Thomson Alliance, Inc.**  
By: Nicole R. Thompson  
NICOLE R. THOMPSON  
Type or Print Name  
CHIEF EXECUTIVE OFFICER  
Type or Print Title

COUNTY OF RIVERSIDE  
By: \_\_\_\_\_  
\_\_\_\_\_  
Type or Print Name  
\_\_\_\_\_  
Type or Print Title

Date: 10/14/14

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

FORM APPROVED COUNTY COUNSEL  
BY: Neal R. Kipnis  
NEAL R. KIPNIS DATE 10/15/14