

FORM APPROVED COUNTY COUNSEL
 BY: *G.P.P.* GREGORY P. PRIAMOS DATE: 10/16/14

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

923



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
 October 10, 2014

SUBJECT: Amendment to the Professional Service Agreement with Sutherland Healthcare Solutions, Inc. [All District; \$350,000 FY 14/15; Enterprise Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and authorize the Chairman to execute the Third Amendment to the Professional Service Agreement with Sutherland Healthcare Solutions, Inc., effective July 1, 2014 for an annual aggregate amount not to exceed \$350,000;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise automatic renewals, and to sign amendments that do not change the substantive terms of the agreement, and authorize the Purchasing Agent to increase the compensation amount not more than ten percent of the annual amount.

BACKGROUND:

Summary

Under the Affordable Care Act (ACA), Medi-Cal coverage will be expanded and up to two million new people in California may be eligible for Medi-Cal in 2014.

Zareh Sarrafian
 Zareh Sarrafian
 Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 350,000	\$ 350,000	\$ 700,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *Debra Cournoyer*
 Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 09/23/97; 3.32

District: ALL

Agenda Number:

3-20

Departmental Concurrence

Purchasing: *M.S.* Mark Seiler, Assistant Director

BACKGROUND:

Summary (continued)

Eligibility is based upon income, as required by the ACA. To verify income and other eligibility data, electronic methods is used to rely on faster and more convenient processes. Redetermination of eligibility for those who are enrolled will also be much simpler and will be done electronically, whenever possible. As required by ACA, this electronic matching of Medi-Cal eligibility for hospital patient files will assist the hospital by helping to identify patients who might not otherwise be identified as Medi-Cal eligible.

Impact on Citizens and Businesses

This service impacts the patients in Riverside County that may possibly receive care from Riverside County Regional Medical Center. The functions of this system can attribute to patient life and safety issues.

Contract History and Price Reasonableness

On September 23, 1997, agenda item 3.32, the Board approved the agreement with Health Management Systems, Inc. to match Medi-Cal patient eligibility files for both the hospital inpatient and outpatient activities including pharmacy services. These services included eligibility matches for patients eligible for Medicare and selected private insurance plans. Through previous years, this service has been acquired by or bought out by larger, more superior companies skillful in providing the service.

The contract operates on a contingency basis, not to exceed twenty-five percent (25%) based only upon payment obtained by the hospital as a consequence of billings generated by the contractor. In other words, the hospital only incurs a financial obligation when the eligibility match process results in paid claims. By providing this service, it benefits the hospital by producing annual Medi-Cal revenue which is augmented depending on progress made in improving matching Supplemental Security Income (SSI) patients (Medi-Cal linked) with patient files.

This amendment allows the hospital to continue to provide this service at the same contingency rate with Sutherland Healthcare Solutions, Inc. formerly known as Apollo Health Street, Inc.

LJ:ns

THIRD AMENDMENT TO THE AGREEMENT

WITH

SUTHERLAND HEALTHCARE SOLUTIONS INC. (Electronic Medi-Cal Eligibility)

This Third Amendment (“Amendment 3”) is made on this September 24, 2014 (“Effective Date”) by and between County of Riverside (“COUNTY”) and **Sutherland Healthcare Solutions Inc.** (“CONTRACTOR”),

RECITALS

WHEREAS, County and Health Management Systems Inc. (“HMS”) executed the Agreement dated September 29, 1997 first approved by the Board of Supervisors September 23, 1997, Agenda Item #3.32, first amendment approved February 22, 2005, second amendment approved May 6, 2010 (“Agreement”).

WHEREAS, HMS was acquired by Accordis Inc. and later by Apollo Health Street Inc;

WHEREAS, Apollo Health Street Ltd, the parent company of Apollo Health Street, Inc. was acquired by certain subsidiaries within the Sutherland group on March 8, 2013 (“Acquisition”) and

WHEREAS, Apollo Health Street, Inc. continues to be a wholly owned subsidiary of Apollo Health Street, Ltd and

WHEREAS, as a result of the Acquisition, Apollo Health Street, Inc. changed its name to Sutherland Healthcare Solutions, Inc.; and

WHEREAS, the parties seek to amend the Agreement further on the terms and conditions set forth in this Amendment 3.

NOW, THEREFORE, for and in consideration of the agreement as considered below, the receipt and sufficiency of which are hereby acknowledged, the Contractor and County agree to further amend the Agreement as follows:

1. Delete all references to “Apollo Health Street Inc.” in the Agreement and replace with “Sutherland Healthcare Solutions Inc.” All references to Apollo Health Street Inc., as “Contractor” in the Agreement will be amended to, and replaced with Sutherland Healthcare Solutions, Inc.

2. Delete Sections 5.2 Notices, and replace with the following:

“All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted two days after their deposit in the United States mail, postage prepaid:

COUNTY OF RIVERSIDE

Riverside County Regional Medical Center
26520 Cactus Avenue

Moreno Valley, CA 92555

CONTRACTOR

Sutherland Healthcare Solutions, Inc.
2 Brighton Road, #300,
Clifton, New Jersey 07012
Attention: Corporate Counsel
Facsimile: 585-419-3717

- 3. All other terms and conditions of the Agreement are to remain unchanged. In the event of any conflict between the terms of the Agreement and this Amendment 3 regarding the subject matter amended herein, this Amendment 3 shall prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment.

CONTRACTOR

Sutherland Healthcare Solutions, Inc.

By: [Signature]
Dale Sander
Type or Print Name

Director
Type or Print Title

Date: 9/24/2014

COUNTY OF RIVERSIDE

By: _____
Type or Print Name

Chairman
Type or Print Title

Date: _____

FORM APPROVED COUNTY COUNSEL

BY: [Signature]
NEAL R. KIPNIS DATE