

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

201



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
May 6, 2015

SUBJECT: APPROVAL OF SECOND AMENDMENT TO THE AGREEMENT WITH THOMSON ALLIANCE, INC. FOR EIGHTEEN MONTHS [ALL DISTRICT; \$1,304,065 ENTERPRISE FUNDS]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to execute the Second Amendment to the Agreement with Thomson Alliance, Inc. to increase the maximum contract amount from \$2,344,750 to an amount not to exceed \$3,648,815 effective July 1, 2015 through December 31, 2016, 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, as approved by County Counsel.

BACKGROUND:

Summary

Case management is essential in obtaining increased revenue for Riverside County Regional Medical Center now known as Riverside University Medical Center.

Zareh H. Saffarian, Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ n/a	\$ 869,377	\$ 1,304,065	\$ 0	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Hospital Enterprise Fund 40050
Budget Adjustment: No
For Fiscal Year: 15/16 - 16/17

C.E.O. RECOMMENDATION:

APPROVE

BY:
Christopher M. Hans

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
 PURCHASING & FLEET SERVICES
 Lea Brandl, Director
 Departmental Concurrence
 BY: GREGORY P. PRIAMOS
 DATE: 5/22/15

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

Prev. Agn. Ref.: 7/1/14, 3-41; 10/28/14, 3-19 | **District:** ALL | **Agenda Number:**

3-48

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: APPROVAL OF SECOND AMENDMENT TO THE AGREEMENT WITH THOMSON ALLIANCE,
INC. FOR EIGHTEEN MONTHS [ALL DISTRICT; \$3,648,815; ENTERPRISE FUNDS]**

DATE: May 6, 2015

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

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; 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. The first amendment approved by the Board on October 28, 2014; agenda item number 3-19 permitted an additional amount of \$1,406,850 which allowed Thomson Alliance to review 15,000 case days. The return on investment net approximately \$40 million in 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. This amendment allows for Thomson Alliance to review the remaining 18,500 TAR backlog over an eighteen month period at an all-inclusive rate of \$70.49 per review day. Thomson Alliance has agreed to lower the rate approximately 22.5% of the current rate. By continuing to do business with Thomson Alliance for the remaining 18,500 review days—will help generate an additional \$31 million (estimated) in reimbursement 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

SECOND 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; and First Amendment approved October 28, 2014, is hereby amended as follows:


1. Delete the language in **Section 2. Period of Performance** in its entirety and replace with the following:

"This amendment extends the period of the Agreement effective July 1, 2015 through December 31, 2016, unless terminated as otherwise provided herein."

2. Delete the language in **Section 3. Compensation, subsection 3.1**, in its entirety and replace with the following:

"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 three million six hundred forty eight thousand eight hundred fifteen dollars (\$3,648,815) 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. Delete Exhibit B Payment Provisions in its entirety and replace with the attached Exhibit B. Payment Provisions.
4. All other terms and conditions of the Agreement are to remain unchanged.

CONTRACTOR
Thomson Alliance, Inc.
By: 
NICOLE R. THOMSON
Type or Print Name
PRESIDENT / CEO
Type or Print Title
Date: 5/18/15

COUNTY OF RIVERSIDE
By: _____

Type or Print Name

Type or Print Title
Date: _____

FORM APPROVED COUNTY COUNSEL
BY:  DATE