

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

257



**FROM:** Riverside University Health System – Medical Center

**SUBMITTAL DATE:**  
July 12, 2016

**SUBJECT:** Ratification of the Fourth Amendment to the Agreement with Loma Linda University Medical Center (LLUMC) to provide Residency/Fellowship Program Training for one year; District 5; [\$5,415,077]; Hospital Enterprise Fund

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


1. Ratify and execute the Fourth Amendment to the Agreement with Loma Linda University Medical Center (LLUMC) to provide Residency/Fellowship Program Training for \$5,415,077 effective July 1, 2016 through June 30, 2017; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 as approved by County Counsel, to sign amendments that do not change the substantive terms of the agreement, and sign amendments to the compensation provisions that do not exceed ten (10) percent annually.

**BACKGROUND:**  
Summary  
(see next page)

  
\_\_\_\_\_  
Zareh H. Sarratian,  
CEO – Health System

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost:</b>	<b>POLICY/CONSENT (per Exec. Office)</b>
<b>COST</b>	\$ 5,415,077	\$ 0	\$ 5,415,077	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0	

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

**C.E.O. RECOMMENDATION:** **APPROVE**  
BY:   
\_\_\_\_\_  
County Executive Office Signature Christopher M. Hans

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COUNSEL  
DATE: 7/14/16  
BY: Karin L. Watts-Bazan

Departmental Concurrence

Purchasing & Fleet Services  
Teresa Summers, Assistant Director

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

**Prev. Agn. Ref.:** | **District:** 5 | **Agenda Number:**

**3-45**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Ratification of the Fourth Amendment to the Agreement with Loma Linda University Medical Center (LLUMC) to provide Residency/Fellowship Program Training for one year; District 5; [\$5,415,077]; Hospital Enterprise Fund  
**DATE:** July 12, 2016  
**PAGE:** Page 2 of 2

**BACKGROUND:**

**Summary (continued)**

Approval of this item by the Board will extend the Agreement with Loma Linda University Medical Center (LLUMC) for one year, and allow Resident Physician clinical rotations to provide patient care services to Riverside University Health System – Medical Center (RUHS-MC).

As part of its general effort to continuously enhance service levels, medical center staff recommends extending this longstanding agreement with LLUMC. The benefits of this extension include that it provides more qualified, fellowship-trained attending physicians to our health care delivery system in the areas of Pulmonology/Crucial Care Medicine, Pediatric, Neonatal/Perinatal and Family Medicine. Not only does RUHS receive Residents and Fellows from LLUMC, but RUHS-MC also provides LLUMC with General Surgery Residents through the program. For this RUHS-MC is reimbursed \$106,000 per surgical resident as it relates to this Fourth Amendment.

Riverside “hires” many more residents than LLUMC – 59 versus 2 – under this agreement. This is the reason that the net cost to Riverside is \$5.4 million.

**Impact on Residents and Businesses**

This agreement improves patient care by requiring additional training for service providers, by adding a residency training program, and by fulfilling a key prerequisite for obtaining Level 1 trauma center status.

**Contract History and Price Reasonableness**

Loma Linda University Medical Center (LLUMC) has been affiliated with RUHS-Medical Center for over 15 years providing residency services. The demand for additional residency/fellowship through a training program has continued to expand over the years.

This Amendment includes an increase in reimbursement rates for salaries and benefits as well as an increase in FTE counts. The increase in FTE is attributable to an increase in the number of Pulmonology/Crucial Care Medicine residents bringing it up to 3 FTEs this year. Much of the cost of the increased FTEs for the Critical Care residents is offset by a Physician Assistant (PA) position that has been relinquished. The additional increase in FTEs is attributable to the inclusion of residents from the Pediatric, Neonatal/Perinatal Fellowship Program and Family Medicine Residency programs which had, prior to this year, been represented and reimbursed through a separate contract. The salaries and benefits are comparable to those paid by RUHS-MC to its own residents.

ZHS:cmh

**FOURTH AMENDMENT  
TO THE  
RESIDENCY / FELLOWSHIP TRAINING AFFILIATION AGREEMENT  
BETWEEN  
RIVERSIDE COUNTY, RIVERSIDE UNIVERSITY HEALTH SYSTEM - MEDICAL CENTER  
AND  
LOMA LINDA UNIVERSITY HEALTH**

That certain Agreement between Loma Linda Inland Empire Consortium for Healthcare Education dba Loma Linda University Health Education Consortium and Riverside County, a political subdivision of the State of California on behalf of Riverside University Health System Medical Center (RUHSMC), collectively referred to as "the Parties," dated November 1, 2010 is hereby renewed and amended effective July 1, 2016, pursuant to the following:

1. Extend the term of agreement for an additional one year to commence on July 1, 2016 and continue until June 30 , 2017.
2. Loma Linda Inland Empire Consortium for Healthcare Education (LLIECHE) (doing business as Loma Linda University Health Education Consortium) is added to this contract as a participating party sending residents to the affiliate, Riverside University Health System Medical Center. Loma Linda Inland Empire Consortium for Healthcare Education does not receive residents or fellows.
3. Delete Exhibit A-3 in its entirety and replace with Exhibit A-4 "Compensation for Resident Physician Salaries and Benefits and Resident Assignment, Loma Linda University Health Education Consortium" attached hereto.
4. Delete Exhibits C and E and replace them with Exhibit B-4 "Compensation for Resident Physician Salaries and Benefits and Resident Assignment, Riverside University Health System Medical Center" attached hereto.
5. In no event may the maximum compensation from RUHSMC to Loma Linda University Health Education Consortium (LLUHEC) for the period July 1, 2016 through June 30, 2017 exceed \$5,415,077.00 without prior authorization of the COUNTY Board of Supervisors..

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

*(Signatures on following page.)*

The Parties have executed this Amendment as set forth below:

**LOMA LINDA UNIVERSITY  
HEALTH EDUCATION CONSORTIUM**

By:   
Daniel Giang, MD  
President &  
Designated Institutional Official


Date: 7/9/16

**RIVERSIDE COUNTY on behalf of**

**RIVERSIDE UNIVERSITY HEALTH SYSTEM  
MEDICAL CENTER**

By: \_\_\_\_\_  
John J. Benoit  
Chairperson,  
County of Riverside Board of Supervisors

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

  
Approved as to Form  
Martha Ann Knutson  
Deputy County Counsel

## EXHIBIT A-4

### Compensation for Resident Physician Salaries and Benefits And Resident Assignment LLUHEC

Both parties agree that the compensation rates, annual full-time equivalent (FTE) counts, annual compensation and terms reflected in this exhibit are effective July 1, 2016.

RUHSMC ("AFFILIATE") shall reimburse Loma Linda University Health Education Consortium (LLUHEC) for the salary and benefits of RESIDENTS covered by this Agreement. AFFILIATE agrees to pay invoices in full within 30 days of receipt. AFFILIATE will reconcile LLUHEC's monthly RESIDENT rotation report against RUHSMC's rotation records and report any discrepancies to LLUHEC. Upon agreed reconciliation, AFFILIATE may deduct the balance of any overpayments or add the balance of any underpayments to a subsequent month's invoice.

Reimbursement for RESIDENTS will be made for rotations that occur at AFFILIATE's Riverside University Health System Medical Center at the following rates:

BASE SALARY							
	PGY-1	PGY-2	PGY-3	PGY-4	PGY-5	PGY-6	PGY-7
	\$53,864.00	\$55,789.00	\$57,909.00	\$60,461.00	\$62,971.00	\$65,458.00	\$75,366.00

BENEFITS							
Retirement	\$2,693.20	\$2,789.45	\$2,895.45	\$3,023.05	\$3,148.55	\$3,272.90	\$3,768.30
FICA	\$4,135.90	\$4,283.16	\$4,445.34	\$4,640.57	\$4,832.58	\$5,022.84	\$5,780.80
Workers Comp	\$1,459.73	\$1,511.70	\$1,568.94	\$1,637.85	\$1,705.62	\$1,772.77	\$2,040.28
Unemployment	\$54.06	\$55.99	\$58.11	\$60.66	\$63.17	\$65.66	\$75.57
Life Insurance	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00
Health/Dental Coverage	\$11,088.00	\$11,088.00	\$11,088.00	\$11,088.00	\$11,088.00	\$11,088.00	\$11,088.00
Disability Coverage	\$200.40	\$200.40	\$225.48	\$225.48	\$225.48	\$225.48	\$225.48
CPR-Basic / Advanced	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
<b>Total Benefits</b>	\$19,976.29	\$20,273.70	\$20,626.32	\$21,020.61	\$21,408.40	\$21,792.65	\$23,323.43

<b>Salary &amp; Benefits Total</b>	\$73,840.29	\$76,062.70	\$78,535.32	\$81,481.61	\$84,379.40	\$87,250.65	\$98,689.43
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RATES							
	PGY-1	PGY-2	PGY-3	PGY-4	PGY-5	PGY-6	PGY-7
<b>Yearly</b>	\$73,840.29	\$76,062.70	\$78,535.32	\$81,481.61	\$84,379.40	\$87,250.65	\$98,689.43
<b>Monthly</b>	\$6,153.36	\$6,338.56	\$6,544.61	\$6,790.13	\$7,031.62	\$7,270.89	\$8,224.12
<b>Daily</b>	\$202.30	\$208.39	\$215.17	\$223.24	\$231.18	\$239.04	\$270.38

AFFILIATE's reimbursement for LLUHEC residents' salary and benefits will not exceed \$5,415,077.00 for the period July 1, 2016 through June 30, 2017.

## EXHIBIT A-4 Page 2

### Compensation for Resident Physician Salaries and Benefits And Resident Assignment LLUHEC

LLUHEC agrees to send either a California Licensed Resident or a Resident who has met the postgraduate training requirements of the Medical Board of California to AFFILIATE for purposes of clinical training. Documents required for each resident must be supplied to AFFILIATE at least thirty (30) days prior to start date of clinical training. LLUHEC agrees to designate Resident(s) who are enrolled and in good standing in the residency program to be assigned for training at AFFILIATE in such numbers that are acceptable to the AFFILIATE.

LLUHEC and the Individual Specialty LLUHEC Residency Program Directors agree to send a maximum number of Residents to AFFILIATE, as indicated below:

Resident Program	Maximum Annual FTE count
Cardiology	1.3
Critical Care Fellow	3.0
Dermatology	0.5
Emergency Medicine	11.0
Family Medicine	1.0
General Surgery, Oral Maxiofacial Surgery	7.0
Gastroenterology	2.0
Internal Medicine; Medicine/Pediatrics; Medicine/Anesthesia; PM & R	21.0
Neurology	2.0
Neonatal-Perinatal Medicine	1.0
Ophthalmology	3.5
Otolaryngology	3.0
Pediatrics	8.1
Plastic Surgery	1.2
Rheumatology	1.3
Urology	2.2

Both parties agree that LLUHEC may, upon approval of AFFILIATE, send additional RESIDENTS other than those listed above to AFFILIATE's Riverside University Health System Medical Center. However, reimbursement for salary and benefits will not exceed the annual amount listed in this Exhibit.

## EXHIBIT B-4

### Compensation for Resident Physician Salaries and Benefits And Resident Assignment RUHSMC

Both parties agree that the compensation rates, annual full-time equivalent (FTE) counts, annual compensation and terms reflected in this exhibit are effective July 1, 2016.

LLUHEC shall reimburse RUHSMC for the salary and benefits of RESIDENTS covered by this Agreement. LLUHEC agrees to pay RUHSMC within thirty (30) days after receipt and reconciliation of a monthly invoice and resident rotation report from RUHSMC. LLUHEC will reconcile RUHSMC's monthly RESIDENT rotation report against LLUHEC's rotation records. Upon agreed reconciliation, LLUHEC may deduct the balance of any overpayments or add the balance of any underpayments to a subsequent month's invoice.

Reimbursement for residents will be made for rotations that occur at LLUMC's facilities, at the following rates:

BASE SALARY							
	PGY-1	PGY-2	PGY-3	PGY-4	PGY-5	PGY-6	PGY-7
	\$53,947.00	\$55,736.00	\$57,925.00	\$60,211.00	\$62,676.00	\$65,914.00	\$69,384.00

BENEFITS							
Retirement	\$1,310.00	\$1,353.00	\$1,406.00	\$1,462.00	\$1,522.00	\$1,578.00	\$1,631.00
Medicare Tax	\$866.00	\$895.00	\$930.00	\$967.00	\$1,007.00	\$1,044.00	\$1,079.00
Unemployment	\$222.00	\$229.00	\$238.00	\$247.00	\$258.00	\$267.00	\$276.00
Life Insurance	\$29.00	\$30.00	\$31.00	\$32.00	\$33.00	\$34.00	\$36.00
Health/Dental Coverage	\$11,622.00	\$12,008.00	\$12,479.00	\$12,972.00	\$13,503.00	\$14,005.00	\$14,470.00
Disability Coverage	\$196.00	\$202.00	\$210.00	\$219.00	\$228.00	\$236.00	\$244.00
Optical Insurance	\$205.00	\$212.00	\$220.00	\$229.00	\$238.00	\$247.00	\$255.00
CPR-Basic / Advanced	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00	\$135.00
<b>Total Benefits</b>	\$14,585.00	\$15,064.00	\$15,649.00	\$16,263.00	\$16,924.00	\$17,546.00	\$18,126.00

<b>Salary &amp; Benefits Total</b>	\$68,532.00	\$70,800.00	\$73,574.00	\$76,474.00	\$79,600.00	\$83,460.00	\$87,510.00
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RATES							
	PGY-1	PGY-2	PGY-3	PGY-4	PGY-5	PGY-6	PGY-7
<b>Yearly</b>	\$68,532.00	\$70,800.00	\$73,574.00	\$76,474.00	\$79,600.00	\$83,460.00	\$87,510.00
<b>Monthly</b>	\$5,711.00	\$5,900.00	\$6,131.17	\$6,372.83	\$6,633.33	\$6,955.00	\$7,292.50
<b>Daily</b>	\$187.76	\$193.97	\$201.57	\$209.52	\$218.08	\$228.66	\$239.75

LLUHEC's reimbursement for AFFILIATE residents' salary and benefits will not exceed \$106,000.00 for the period July 1, 2016 through June 30, 2017.

**EXHIBIT B-4 Page 2**

**Compensation for Resident Physician Salaries and Benefits  
And Resident Assignment  
RUHSMC**

AFFILIATE agrees to send either a California Licensed Resident or a Resident who has met the postgraduate training requirements of the Medical Board of California to LLUMC for purposes of clinical training. Documents required for each resident must be supplied to LLUMC at least thirty (30) days prior to start date of clinical training. AFFILIATE agrees to designate Resident(s) who are enrolled and in good standing in the residency program to be assigned for training at LLUMC in such numbers that are acceptable to LLUMC.

AFFILIATE and the Individual Specialty AFFILIATE Residency Program Directors agree to send a maximum number of Residents to LLUMC, as indicated below:

Resident Program	Maximum Annual FTE count
General Surgery	1.5

Both parties agree that AFFILIATE may send additional RESIDENTS other than those listed above to LLUMC's facilities. However, reimbursement for salary and benefits will not exceed the annual amount listed in this Exhibit.