

423



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

FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
July 30, 2013

SUBJECT: Amendment to the Professional Services Agreement between DaVita, Inc. d/b/a Renal Treatment Centers – California, Inc. and Riverside County Regional Medical Center

RECOMMENDED MOTION: Move that the Board of Supervisors:

- 1) Approve and authorize the Chairman of the Board to execute the Third Amendment to the Contract Agreement with DaVita, Inc. d/b/a Renal Treatment Centers – California, Inc. for five additional one year period, effective September 1, 2013 through August 30, 2018, for an aggregate amount of \$1,400,000 annually; and,
- 2) Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise renewal options, based on the availability of fiscal funding, 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 should the need for services exceed the estimated volume.

(continued on Page 2)

Douglas D. Bagley

 Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$1,400,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/2014

SOURCE OF FUNDS: 100% Hospital Enterprise 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

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None

Date: August 20, 2013
 xc: RCRMC, Purchasing

Kecia Harper-Ihem
 Clerk of the Board
 By: *Kecia Harper-Ihem*
 Deputy

3-75

FORM APPROVED COUNTY COUNSEL
 BY: NEAL R. KIPNIS
 DATE: 7/30/13
 Purchasing Departmental Counsel

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
 Policy
 Policy
 Consent
 Consent
 Per Exec. Ofc.:

BOARD OF SUPERVISORS

Page 2

SUBJECT: Amendment to the Professional Services Agreement between DaVita, Inc. d/b/a Renal Treatment Centers – California, Inc. and Riverside County Regional Medical Center

BACKGROUND:

Since October 1996, Riverside County Regional Medical Center (RCRMC) has contracted with DaVita, Inc. d/b/a Renal Treatment Centers for dialysis services. On August 10, 2010, Agenda Item #3.53, the Board recently approved the multi-year agreement with DaVita, Inc. to provide dialysis services for the hospital. Renal Treatment Center, subsidiary of DaVita, Inc. is the only area provider that offers complete dialysis treatment services for RCRMC's acute dialysis inpatients.

Renal Treatment Center is located on the RCRMC's campus and provides trained staff and equipment for all the chronic and acute inpatient and outpatient dialysis treatments as required by the hospital, providing immediate response time and support for RCRMC's patients.

Hemodialysis is the most frequently used procedure under the current contract; in addition, utilization of Davita's discharge planning service has heightened as well. The hospital anticipates these services will continue to escalate.

PRICE REASONABLENESS:

Davita certifies that the prices offered are the lowest or equal to those offered to customers in San Bernardino or Riverside Counties whose annual treatment volume is comparable to RCRMC, and offered to Federal, State or Local Government Contracts. In addition, the rate offered through this extension will remain at the same rate as the current contract, with 1% increase on the 5th year. Overall, their rates have not changed for 4 years.

Should a competitor arise in the area, the County will exercise its right to competitively bid this service.

REVIEW/APPROVAL:

County Purchasing
County Counsel

DB:ns

THIRD AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT

WITH

RENAL TREATMENT CENTERS – CALIFORNIA, INC.

(Hemodialysis Treatment Services)

That certain Acute Services and Discharge Planning Services Agreement (the “Agreement”) between Riverside County Regional Medical Center (“COUNTY”) and **Renal Treatment Centers – California, Inc.**, a Delaware corporation and Patient Pathways, LLC, a Delaware limited liability company collectively “CONTRACTOR”), executed August 10, 2010; , first amendment executed February 9, 2011, and second amendment executed July 31, 2012, is hereby amended effective as of the date of the latter of August 1, 2013 or the date of final signature below (the “Effective Date”) in order to effect the following:

1. Delete **Section 3.1 TERM** in its entirety and replace it with the following:

“This Third Amendment extends the period of the Agreement for five (5) additional one-year periods effective as of the later of the Effective Date or August 1, 2013, with the option to be reviewed through the County’s annual renewal process, upon written consent of the parties hereto, in one-year increments, unless terminated as otherwise provided herein.”

2. Delete the first paragraph of **Section 4.0 Compensation** in its entirety (but including its subsections 4.1 through 4.5) and replace it with the following:

“The County shall pay the Contractor for services performed and expenses incurred in accordance with the established terms of Exhibit B, Fee Schedule, as attached this Third Amendment. The fee schedule shall be increased by one percent (1%) on August 1, 2017. Maximum payments by County to Contractor shall not exceed one million four hundred thousand dollars (\$1,400,000) annually. In the event the County’s obligation is likely to exceed such amount, County shall notify Contractor and if the County fails to increase funding for any Services ordered. Contractor may terminate the Agreement, effective upon thirty (30) days prior written notice. Contractor shall not be obligated to provide any Services which would result in County owing an amount in excess of the above referenced amount.”

3. All references to “DaVita, Inc.” in the Agreement shall be deleted in their entirety and replaced with “DaVita HealthCare Partners Inc.”
4. All other terms and conditions of this Agreement are to remain unchanged.

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

CONTRACTOR
Renal Treatment Centers –California, Inc.

COUNTY OF RIVERSIDE

By: 

By: _____

Bina Joban Baxi

Type or Print Name

Group Vice President

Chairman

Type or Print Title

Date: _____

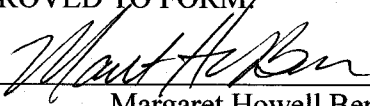
Date: _____

CONTRACTOR
Patient Pathways, LLC
By: _____

Rodney White

Vice President

Date: _____

APPROVED TO FORM:
By: 
Margaret Howell Benson
Group General Counsel

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

CONTRACTOR
Renal Treatment Centers -California, Inc.

By: _____

Bina Joban Baxi

Group Vice President

Date: _____

COUNTY OF RIVERSIDE

By: John J. Benoit

JOHN J. BENOIT
Type or Print Name

Chairman
Type or Print Title

Date: AUG 20 2013

CONTRACTOR
Patient Pathways, LLC

By: Rodney White

Vice President

Date: 7/15/13

FORM APPROVED COUNTY COUNSEL
BY: Neal R. Kipnis 7/20/13
NEAL R. KIPNIS DATE

ATTEST:
KEGIA HARPER-IHEM, Clerk
By: [Signature]
DEPUTY

APPROVED TO FORM:

By: [Signature]
Margaret Howell Benson
Group General Counsel

EXHIBIT B

FEE SCHEDULE

RENAL TREATMENT CENTERS – CALIFORNIA, INC.

NOTE: the fees listed in the schedule set forth below include services provided to non-admitted persons who are kept at COUNTY for observational purposes for a period of less than twenty-four (24) hours without being admitted at that time.

PROCEDURE	RATES <i>(Effective 08/01/12)</i>
<u>Hemodialysis:</u>	
Hemodialysis-Adult: 1:1 patient to staff ratio, up to 4 hours	\$464.10 per treatment
Hemodialysis: additional charge per half hour for treatments ordered longer than 4 hours	\$51.00 per ½ hour
<u>Peritoneal Dialysis (PD: CAPD, CCPD)</u>	
CCPD-Adult (per treatment visit) (1)	\$234.60 per treatment visit
CAPD-Adult (per treatment visit) (1)	\$234.60 per treatment visit
<u>Continuous Renal Replacement Therapy (CRRT: SCUF, CVVH, CVVHD, CVVHDF)</u>	
CRRT-Adult (per day) (2)	\$663.00 per day
CRRT cartridge (each cartridge separately billable)	\$204.00 each cartridge
<u>Nursing Services:</u>	
Declotting Central Venous Catheters (TPA)	\$51.00 per ½ hour
RN Consultation (3)	\$51.00 per ½ hour
<u>Miscellaneous:</u>	
Differential: Same Day Service (4)	\$153.00 per treatment visit
Differential: Weekends and Holidays (5)	\$76.50 per treatment visit
Cancellation: (6)	\$306.00 per cancellation
Waiting time (after first 15 minutes)	\$51.00 per ½ hour
Patient Pathways	Bundled

EXHIBIT B

Exhibit B Footnoted Descriptions

- (1)** Includes CCPD equipment, dialysate, supplies and labor with minimum of 2 nursing visits per day
- (2)** Includes Fresenius CRRT equipment, labor and dialysate. Pre-dilution replacement solution is dispensed from COUNTY Pharmacy and is not included. Minimum of two (2) nursing visits per day required. Cartridges are charged separately.
- (3)** Any service authorized by the COUNTY that is not otherwise described in Exhibit B.
- (4)** Differential for "same day service called in after hours" will only be assessed for orders received after 5:00 pm on the day the treatment is to be performed.
- (5)** Observed Holidays are New Years Eve, New Years Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Christmas Eve, and Christmas Day.
- (6)** COUNTY to provide CONTRACTOR at least, four (4) hours advance notice of any cancellations prior to scheduled Service/procedure or Cancellation Fee applies.