

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

866



FROM: Human Resources Department

SUBMITTAL DATE:
September 12, 2013

SUBJECT: Exclusive Care – Amendment extending the Exclusive Care Agreement with Health Management Systems for Third Party Liability Recovery Services for two additional years, renewed in one-year increments.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the amendment of the professional service agreement with Health Management Systems for up to \$250,000 annually, including an option to renew the agreement in one-year increments through August 31, 2015.
2. Authorize the County Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option, based on the availability of fiscal funding and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI rates.
3. Authorize the Chairperson to sign three (3) copies of the attached Amendment retain one (1) copy of the signed Amendment and return two (2) copies to Human Resources for distribution.

Barbara A. Olivier

Barbara A. Olivier
Asst. County Executive Officer/Human Resources Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 250,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14
SOURCE OF FUNDS: Premiums paid by Exclusive Care members				Positions To Be Deleted Per A-30 <input type="checkbox"/>
				Requires 4/5 Vote <input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*

County Executive Office Signature

Ivan M. Chand

9/16/2013

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: September 24, 2013

Kecia Harper-Ihem
Clerk of the Board

BY: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 9/13/2011; 3.64

District:
ALL

Agenda Number:

3-39

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Departmental Concurrence

Consent
 Policy
 Consent
 Policy

Dept's Recomm.:
 Per Exec. Ofc.:

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
Form 11: Exclusive Care – Amendment extending the Exclusive Care Agreement with Health
Management Systems for Third Party Liability Recovery Services for two additional years, renewed
in one-year increments
September 12, 2013
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BACKGROUND:

On September 13, 2011 (Agenda Item 3.64), the Board of Supervisors approved an Agreement with Health Management Systems (HMS) to perform Third Party Liability (TPL) services and increase recovery of payments from third parties. HMS was selected through an RFP process at that time. Exclusive Care can recover the cost of medical services from individuals who have financial liability for injuries to Exclusive Care members. HMS has recovered \$100,000 for the plan to date, at a cost of \$25,000, with the \$75,000 in revenue applied towards reducing members' premiums. Exclusive Care's internal staff, who previously managed the recovery process, is now free to process claims and perform other administrative tasks. The recovery of TPL payments is often a multiyear process. As such, recovery revenue is expected to increase over the next two years.

Health Management Services' fee for TPL services is 25% of any recovery, which is the industry standard for this type of service. These fees are not expected to exceed \$250,000 for FY2013-2014. Fees are paid only after recovery has been obtained by Exclusive Care.

**COUNTY OF RIVERSIDE
AMENDMENT NO.2 TO THE AGREEMENT
WITH
HEALTH MANAGEMENT SYSTEMS, INC.**

CONTRACTOR: Health Management Systems, Inc.
Contract Term: September 13 2011 through August 31, 2013
Effective Date of Amendment: September 1, 2013

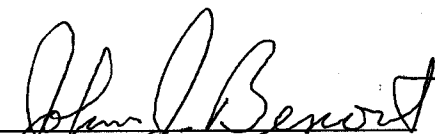
The Agreement between Riverside County, herein referred to as COUNTY and Health Management Systems, Inc., herein referred to as CONTRACTOR, and is amended as follows:


1. On page 3 of the Agreement, amend Section 2 the "Period of Performance":
To amend all reference to the Period of Performance from expiration of August 31, 2013 to a Period of Performance of September 1, 2013 through August 31, 2015, renewed in one (1) year increments, unless terminated as specified in Section 9 TERMINATION.
2. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

County
Board of Supervisors
4080 Lemon Street, 4th Floor
Riverside, CA 92501

Contractor
Health Management Systems, Inc.
660 J Street, Suite 270
Sacramento, CA 95814

By: 
Name: John J. Benoit
Title: Chairman of Board of Supervisors
Date: SEP 24 2013

By: 
Name: Kimberly D. Glenn
Title: Senior Vice President
Date: 8/12/13

ATTEST:
KECIA HARPER-IHEM, Clerk

By: 
DEPUTY