

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

133



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
December 3, 2013

SUBJECT: Amendment to the hospital services agreement with Molina Healthcare of California
[Districts – All, \$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to execute the Fifth Amendment to the hospital services agreement with Molina Healthcare of California January 1, 2014.

BACKGROUND:

Summary

The fifth amendment to the Molina Health Care of California hospital services agreement adds the state, Covered California, healthcare benefit exchange to the Molina Healthcare of California hospital services agreement. Molina Healthcare is one of the 11 insurers offering coverage through Covered California and individuals purchasing Molina will be able to seek services from Riverside County Regional Medical Center.

Lowell Johnson

Lowell Johnson
Interim CEO

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

SOURCE OF FUNDS: Revenue from Molina Healthcare of California Health Exchange members referred to the hospital for services	Budget Adjustment: NO
	For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, 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: January 28, 2014
xc: RCRMC

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

Prev. Agn. Ref.: 4/11/95 2.17, 8/13/96 3.27,
8/29/00 3.37

District: All

Agenda Number:

3-22

APPROVED COUNTY COUNSEL
DATE 12/11/13
BY: NEAL R. KIPNIS

Departmental Concurrence

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

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

FORM 11: [Districts – All, \$0]

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Impact on Citizens and Businesses

The addition of the Molina Health Benefit Exchange program to the Hospital's Molina Healthcare of California hospital agreement will allow the residents of the County of Riverside the opportunity to access services at Riverside County Regional Medical Center through Covered California, the state's healthcare exchange.

SUPPLEMENTAL:

Additional Fiscal Information

Increase to revenue for Molina Health Benefit Exchange program members seeking health care services at Riverside County Regional Medical Center.

Contract History and Price Reasonableness

On April 11, 1995, agenda no. 2.17 the Board approved the hospital services agreement with Molina Healthcare of California. This amendment adds the Molina Health Benefit Exchange Product program to the hospital's agreement which will be compensated at 100% of Medicare for outpatient services and 110% of the applicable DRG for inpatient services (excluding Trauma). Trauma services will be reimbursed at 135% of the applicable DRG payment.

5th AMENDMENT TO MOLINA HEALTHCARE OF CALIFORNIA

HOSPITAL SERVICES AGREEMENT

THIS AMENDMENT TO THE HOSPITAL SERVICES AGREEMENT ("Amendment") is made and entered by and between Molina Healthcare of California ("Health Plan") and **Riverside County Regional Medical Center** ("Provider") is effective on January 1, 2014.

- A. **Whereas**, Health Plan and Provider entered into a Hospital Services Agreement, effective August 13, 1996 as amended from time to time ("Agreement"); and
- B. **Whereas**, Provider agrees to contract with Health Plan for Health Plan's Health Benefit Exchange products;

Now therefore, in consideration of the rights and obligations contained herein, Health Plan and Provider agree to amend the Agreement as follows:

1. Article II Services Provided by Hospital: Compensation, subsection [b], **Compensation**, is deleted and replaced with the following subsection [b]:

[b]. **Compensation.** Health Plan shall pay Provider for Clean Claims for Covered Services provided to Members, including Emergency Services, in accordance with applicable law and regulations, including but not limited to the Knox-Keene Health Care Service Plan Act of 1975 and accompanying regulations, and in accordance with the compensation schedule set forth in Exhibit B and Exhibit D-X, as applicable.

2. Article II Services Provided by Hospital: **Compensation** is amended by adding the following subsection [f], **Co-payment and Deductibles**:

[f]. **Co-payment, Deductibles and Co-Insurance.** Provider is responsible for collection of co-payments, deductibles and co-insurance, if any, provided for in the Member's Health Plan product. Members with dual coverage under the Medicare and Medi-Cal program ("Medi-Medi" Members) and CFAD program Members will not be held liable by Provider for Medicare Part A and B cost sharing when the State, Health Plan or another payor such as a Medi-Cal managed care plan is responsible for paying such amounts, nor be held liable for cost-sharing that exceeds the amount such a Member would be required to pay through Medi-Cal. Provider must accept payment from Health Plan as payment in full or bill the appropriate State source for any cost sharing that is covered by Medi-Cal.

3. Article II Services Provided by Hospital: **Compensation** is amended by adding the following subsection [g], **No Billing of Members**:

[g]. **No Billing of Members.** Except as specifically provided for in this section, Provider agrees to seek payment from only Health Plan or a Capitated Provider for all Covered Services

provided to a Member. In no event, including but not limited to, nonpayment by Health Plan or a Capitated Provider, insolvency by Health Plan or a Capitated Provider, or breach of the Agreement, shall Provider, or any person acting on Provider's behalf, bill, charge, collect a deposit or surcharge from, seek compensation from, or have any other recourse against a Member, or a person acting on the Member's behalf, for Covered Services provided pursuant to this Agreement.

This prohibition does not apply to the following:

- i. When a Member has dual coverage, Provider may bill both payors consistent with the coordination of benefits provision in section [2.9(d)] and the order of benefit determination provisions set forth in Title 28 of the California Code of Regulations, Section 1300.67.13.
- ii. Provider may bill a Member for any applicable co-payment, deductible or co-insurance obligation in accordance with section [2.9(c)].
- iii. Provider may seek payment from Member for services that are not Covered Services under the terms of this Agreement provided the payment is not for otherwise Covered Services which Health Plan determines not to have been Medically Necessary or in keeping with Health Plan's Utilization Review and Management Program and provided the Member signs a written waiver that meets the following criteria:
 - (a) The waiver notifies the Member that the medical service is a non-Covered Service;
 - (b) The waiver notifies the Member of the medical service being provided and the date(s) of service;
 - (c) The waiver notifies the Member of the approximate cost of the medical service; and
 - (d) The waiver is signed by the Member prior to receipt of the medical service.

4. Article XI Applicable Law is amended by adding the following subsection [a]:

[a]. Provider acknowledges that for all Covered Services rendered to Members enrolled in a Molina Health Benefit Exchange Product, Medi-Cal statutes and regulations referenced in this Agreement are inapplicable, and Provider shall comply with all statutory and regulatory requirements of the California Health Benefit Exchange Act, California Government Code §100501, et seq..

5. Article XIV Miscellaneous, subsection [i] is deleted and replaced with the following subsection [i]:

[i] **Entire Agreement.** This Agreement, together with Exhibits, Amendments and incorporated documents or materials, contains the entire agreement between Health Plan and Provider relating to the rights granted and obligations imposed by this Agreement. Additionally, as to the

Medicaid products offered by Health Plan and listed in Agreement, the contract between the Department of Health Care Services and the Health Plan is incorporated herein by reference and shall be the guiding and controlling document when interpreting the terms of this Agreement. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this Agreement are of no force or effect.

6. **Table of Exhibits** is amended to add the following to the list of Exhibits which are part of the Agreement:

“Exhibit D-X – Compensation Schedule – Molina Health Benefit Exchange Program”

7. **Article XIV Miscellaneous** is amended by adding the following subsection [m]:

[m] Conflict with Health Plan Product. Nothing in this Agreement modifies any benefits, terms or conditions contained in the Member’s Health Plan product. In the event of a conflict between this Agreement and the benefits, terms, and conditions of the Health Plan product, the benefits, terms or conditions contained in the Member’s Health Plan product shall govern.

8. All references to Exhibit B in the Agreement not specifically addressed by this Amendment are revised as follows:

“Exhibit B or Exhibit D-X, as applicable”

9. **Article I, Definitions**, is amended by adding the following defined terms:

“**Health Benefit Exchange** means the California Health Benefit Exchange established by Section 100500 of the California Government Code.

“**Molina Health Benefit Exchange Product** means those health benefit programs offered and sold by Health Plan to individuals or employers who obtain health coverage through the Health Benefit Exchange.

10. **Article I, Definitions, Section 1.3**, definition of Clean Claim is amended to add the following sentence:

“For the Molina Health Benefit Exchange Product, Clean Claim shall have the same meaning as the definition of ‘complete claim’ set forth in Title 28, California Code of Regulations §1300.71(a)(2).”

11. The agreement is amended by adding the following product:

“Molina Health Benefit Exchange Product.”

12. Exhibit D-X, (Compensation Schedule-Molina Health Benefit Exchange Program), attached hereto, is added.

13. Renewal. This Amendment shall renew with and under the terms of the Agreement.

14. Use of Defined Terms. Unless otherwise defined in this Amendment, capitalized terms utilized in this Amendment will have the same meaning(s) ascribed to such terms in the Agreement.

15. No Other Modifications. Except as provided herein, the terms and conditions of the Agreement shall remain the same, in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their officers thereunto duly authorized.

Riverside County Regional Medical Center

Molina Healthcare of California

By:



By:



Lowell Johnson

Teri Laurenstein

Its:

Hospital Director/CEO

Its:

VP Plan Chief Operations Officer

Date:

Date:

5/20/14

877708.3

COUNTY OF RIVERSIDE

By:



Chair, Board of Supervisors

JEFF STONE

ATTEST:

KECIA HARPER-IHEM, Clerk



DEPUTY

FORM APPROVED COUNTY COUNSEL

BY:



NEAL R. KIPNIS

DATE

Exhibit D-X
Compensation Schedule

MOLINA HEALTH BENEFIT EXCHANGE PROGRAM

Health Plan agrees to compensate Provider for Clean Claims for Covered Services rendered to Members, in accordance with the Molina Health Benefit Exchange Product program, on a fee-for-services basis, at the lesser of: (i) Provider's allowable charge description master rate, or (ii) the amounts set forth below; less any applicable Member co-payments, deductibles, co-insurance, or amounts paid or to be paid by other liable third parties, if any:

SERVICES	RATES
INPATIENT	
Inpatient services (excluding Trauma)	110% MS - DRG
Trauma Services Inpatient	135% MS - DRG
OUTPATIENT	
Emergency Room / All other Outpatient Services	100% Medicare
Outpatient Surgery Services	100% Medicare
Trauma Services Outpatient	135% Medicare