

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



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
March 03, 2014

**SUBJECT:** Professional Service Agreement with HCT Executive Interim Solutions [All District; \$397,000]

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

1. Approve and authorize the Chairman to execute the Professional Services Agreement with HCT Executive Interim Solutions, effective March 28, 2014, for an aggregate maximum amount not to exceed \$312,000 annually; 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, including amendments to the compensation provision that do not exceed the annual CPI rates.

**BACKGROUND:**

**Summary**

In accordance with Medi-Cal guidelines, specific medical procedures and services are subject to evaluation by Medi-Cal before reimbursement can be approved. Accurate and timely processing is needed to preserve reimbursement revenue in the millions of dollars.

*Lowell Johnson*  
Lowell Johnson  
Interim Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 85,000	\$ 312,000	\$ 397,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
<b>SOURCE OF FUNDS:</b> Hospital Enterprise Fund 100%				<b>Budget Adjustment:</b> No	
				For Fiscal Year: FY2013/2014	

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Debra Cournoyer*  
Debra Cournoyer

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: March 25, 2014  
xc: RCRMC, Purchasing

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

Prev. Agn. Ref.: \_\_\_\_\_ District: ALL Agenda Number: \_\_\_\_\_

**3 - 10**

FORM APPROVED COUNTY COUNSEL  
BY: *Neal R. Kipnis* DATE: 3/11/14

Departmental Concurrence

Purchasing: *Mark Seiler*  
Mark Seiler, Assistant Director

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

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Professional Service Agreement with HCT Executive Interim Solutions [All District; \$397,000]**

**DATE:** March 3, 2014

**PAGE:** Page 2 of 2

**BACKGROUND:**

**Summary (continued)**

As the demands of healthcare reform increases and as the hospitals' resources remain limited, it is imperative the hospital acquire consultation by hiring a consultant to help manage the processes to help increase revenue and train staff on the new Affordable Health Care Act Medicare billing requirements. The current case management process at RCRMC does not provide for maximum recovery of expenses of all eligible cases, and therefore, Huron Consulting has recommended that RCRMC utilize additional services to re-engineer the process.

**Impact on Citizens and Businesses**

This service impacts the patients residing in Riverside County receiving care from Riverside County Regional Medical Center. Without timely support the hospital will lose reimbursement revenue for patient services.

**Contract History and Price Reasonableness**

RCRMC conducted an informal request for quotes to known prospective agencies that specialize in case management review services. Three bid responses were obtained, reviewed and evaluated by RCRMC administration familiar with Medi-Cal case management reviews. The prices received ranged from \$150 - \$165 per hour. HCT Executive Interim Solutions was determined as most responsive/responsible agency able to perform the required scope of work at \$150 per hour, not to exceed \$6,000 per week. To ensure the hospital appropriately receive Medi-Cal reimbursements, RCRMC requests approval of this contract agreement.



County of Riverside  
 RIVERSIDE COUNTY REGIONAL MEDICAL CENTER  
 26520 Cactus Avenue • Moreno Valley, CA 92555

**Letter of Agreement**

This agreement is entered into by HCT Executive Interim Solutions, LLC hereinafter referred to as ("Contractor"), and the County of Riverside, Riverside County Regional Medical Center, hereinafter referred to as ("County").

**Scope of Service:**

Contractor shall provide: Consulting and guidance for Case Management Department.

**Fees:**

County agrees to pay Contractor for the above services as follows: \$150 per hour

Not to exceed \$85,000 total through 6/30/14. Not to exceed \$312,000 total for the Period of Performance: period 7/1/14 through 6/30/15.

Start Date: 03/19/14

End Date: 06/30/15

I agree to and approve this Letter of Agreement between HCT Executive Interim Solutions and Riverside County Regional Medical Center.

<b><u>CONTRACTOR</u></b> HCT Executive Interim Solutions 70 W Madison, Suite 1400 Chicago, IL 60602	<b><u>COUNTY</u></b> Riverside County Regional Medical Center 26520 Cactus Avenue Moreno Valley, CA 92555
<b><u>PRINTED NAME</u></b> J.J. Ewing	<b><u>PRINTED NAME</u></b> JEFF STONE
<b><u>TITLE</u></b> VP of Professional Services	<b><u>TITLE</u></b> CHAIRMAN, BOARD OF SUPERVISORS
<b><u>SIGNATURE</u></b> <i>J. Ewing, VP</i>	<b><u>SIGNATURE</u></b> <i>Jeff Stone</i>
<b><u>DATE</u></b> 3/4/14	<b><u>DATE</u></b> MAR 25 2014

FORM APPROVED COUNTY COUNSEL 3/13/14  
 BY: *[Signature]* DATE  
 BY: NEAL R. KIPNIS

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

## **General Conditions - Professional Services (#116-240)**

**GENERAL** - The services set forth in this agreement shall be furnished by bidder/seller subject to all the terms and conditions listed here in which bidder/seller in accepting an order agrees to be bound by and to comply with in all particulars. No other terms or conditions shall be binding upon the parties unless hereafter accepted by them in writing. Written acceptance or the beginning of performance of all or any portion of the services herein shall constitute unqualified acceptance of all these terms and conditions.

**TERMS - Contracting Officer** - The County has designated the Purchasing Agent and Assistant Purchasing Agent as the Contracting Officers.

**County Contract Administrator** - Shall be designated at time of contractual award.

1. **ASSIGNMENT** - The contractor shall not assign any interest in this agreement, and shall not transfer any interest in the same, whether by assignment or novation, without the prior written consent of the County.
2. **PUBLICATION REPRODUCTION AND USE OF MATERIAL** - No material produced, in whole or in part, under this Agreement shall be subject to copyright in the United States or in any other country. The County shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this agreement. All reports, data and other materials prepared under this Agreement shall be the property of the County upon completion of this Agreement.
3. **COPYRIGHT/PATENT INDEMNITY** - Contractor shall indemnify and hold County, harmless from liability of any nature, including costs and expenses, for or on account of any patented or unpatented article, part or component used in the performance of the contract, and shall defend all suits or claims for infringement of any patent right. Such indemnification shall extend to the furnishing of any parts, components, practices or methods as to which Contractor has secured indemnification from liability from a third party. The Contractor shall have been informed as soon as practicable by County of the soft or action alleging such infringement, and shall have been given the opportunity as is afforded by applicable laws and regulations to defend such suit, and further, such indemnity shall not apply to a suit or claim which is settled without the consent of Seller/Bidder, unless otherwise required by a court of competent jurisdiction. In addition to the foregoing, Contractor shall indemnify, defend, save and hold harmless County from any and all loss, damage or liability arising out of or in any manner connected with any actual or alleged infringement, violation or misappropriation of any copyright, trade secret or intellectual property whatever, in connection with any bid, proposal, service or product of whatsoever kind, nature or sort provided to the County by Contractor hereunder. County shall promptly notify Seller/Bidder of any such claim, and Contractor may defend or settle any such claim with counsel of its own choosing, provided, however, that in the event of such a settlement, Contractor shall obtain a written release of all liability as against County, in form and substance acceptable to County. As a further part of any such settlement Contractor may, at its own cost and expense, procure the right for County to continue to use such service or product, or to replace or modify them so that they become non-infringing and retain the same function.
4. **WAIVER OF DEFAULT** - Any waiver by County of any breach of any one or more of the terms of this agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of County to require exact, full and complete compliance with any terms of this agreement shall not be construed as in any manner changing the terms hereof, or stopping County from enforcement hereof.
5. **AVAILABILITY OF FUNDING** - The County's obligation for payment of any contract beyond the current fiscal year end is contingent upon the availability of funding from which payment can be made. No legal liability on the part of the County shall arise for payment beyond June 30 of the calendar year unless funds are made available for such performance.
6. **INSPECTION OF SERVICE** - All performance (which includes services, materials, supplies and equipment furnished or utilized in the performance of this contract, and workmanship in the performance of services) shall be subject to inspection and test by the County at all times during the term of the contract. The Contractor shall provide adequate cooperation to any inspector assigned by the County to permit him/her to determine the Contractor's conformity with these specifications and the adequacy of the services being contractually provided. All inspections by the County shall be made in such a manner as to not unduly interfere with Contractor performance.

If any services performed hereunder are not in conformity with the specifications and requirements of this contract, the County shall have the right to require the contractor to perform the services in conformity with said specifications and requirements at no additional increase in total contract amount. When the services to be performed are of such nature that the difference cannot be corrected, the County shall have the right to: (1) require the Contractor immediately to take all necessary steps to ensure future performance of the services in conformity with requirements of the contract, and (2) reduce the contract price to reflect the reduced value of the services performed. In the event the Contractor fails to perform the services promptly or to take necessary steps to ensure future performance of the service is in conformity with specifications and requirements of the contract, the County shall have the right to either: (A) have the services performed in conformity with the contract specifications and charge to the Contractor any cost occasioned to the County that is directly related to the performance of such services. If County chooses alternative (A), the County may withhold such costs from any amounts still owed to Contractor under this or any other contractual agreements with County; or (B) terminate this contract for default as provided in the Termination Clause.

7. **TERMINATION** -
  - A. County may terminate this Agreement with or without cause upon 30 days written notice served upon the Contractor stating the extent and effective date of termination.
  - B. County may, upon five (5) days written notice, terminate this agreement for Contractor's default, if Contractor refuses or fails to comply with the provisions of this Agreement or fails to make progress so as to endanger performance and does not cure such failure within a reasonable period of time. In the event of such termination, the County may proceed with the work in any manner deemed proper to County.

## **General Conditions - Professional Services (#116-240)**

- C. After receipt of the Notice of Termination pursuant to paragraph A or B above, Contractor shall:
- 1) Stop all work under this Agreement on the date specified in the Notice of Termination.
  - 2) Transfer to County and deliver in the manner, and to the extent, if any, as directed by County, any equipment, data or reports which, if the Agreement had been completed, would have been required to be furnished to County;
- D. After termination pursuant to paragraph A or B above, County shall:
1. Continue to pay Contractor at the same rate as previously allowed until the date of termination, if payment is based upon a specified rate schedule; or,
  2. **Make payment for all services performed in accordance with this Agreement to the date of termination, a total amount which bears the same ratio to the total maximum fee otherwise payable under this Agreement as the services actually bear to the total services necessary for performance of this Agreement.**
- E. Contractor shall submit a termination claim to County within 60 days after the date of termination as determined from the Notice of Termination.
- F. The rights and remedies of County provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
8. **DISPUTES** - Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer who shall furnish the decision in writing. The decision of the Contracting Officer shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith. The Contractor shall proceed diligently with the performance of the contract pending the Contracting Officer's decision.
9. **CHANGES** - The Board of Supervisors and the Contracting Officer are the only authorized County representatives who may at any time, by written order, make changes within the general scope of this contract, in the definition of services to be performed, and the time (i.e. hours of the day, days of the week, etc.) and place of performance thereof. If any such change causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this paragraph shall be assessed within 30 days of when the Contractor received notice of the change in the work. Notwithstanding the foregoing, if the Contracting Officer decides that the facts provide sufficient justification, he/she may receive and act upon any claim which is asserted by the Contractor at any time prior to final payment under this agreement. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled 'Disputes.' However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
10. **INDEPENDENT CONTRACTOR** - The Contractor is, for purposes arising out of this contract, an Independent Contractor and shall not be deemed an employee of the County. It is expressly understood and agreed that the Contractor shall in no event, as a result of this contract, be entitled to any benefits to which County employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. Contractor hereby holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this agreement. Notwithstanding the foregoing, if County determines that pursuant to Federal and State law CONTRACTOR is an employee for purposes of income tax withholding, COUNTY shall upon two (2) weeks notice to CONTRACTOR withhold from the payments hereunder to CONTRACTOR, Federal and State income taxes and pay said sums over to the Federal and State Government.
11. **INTEREST OF CONTRACTOR** - The Contractor covenants that it presently has no interest, including but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this contract. The Contractor further covenants that in the performance of this contract, no person having any such interest shall be employed or retained by it under this contract.
12. **CONDUCT OF CONTRACTOR** -
- A. The Contractor agrees to inform the County of all the Contractor's interest, if any, which are or which the Contractor believes to be incompatible with any interest of the County.
  - B. The Contractor shall not, under circumstances which might reasonably be interpreted as an attempt to influence the recipient in the conduct of his duties, accept any gratuity or special favor from individuals or organizations with whom the Contractor is doing business or proposing to do business, in accomplishing the work under the contract.
  - C. The Contractor shall not use for personal gain or make other improper use of privileged information which is acquired in connection with his contract. In this connection, the term 'privileged information' includes, but is not limited to, unpublished information relating to technological and scientific development; medical, personnel, or security records of the individuals; anticipated materials requirements or pricing actions; and knowledge of selection of contractors or subcontractors in advance of official announcement.
  - D. The Contractor or employees thereof shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to County employees.

## **General Conditions - Professional Services (#116-240)**

13. **DISALLOWANCE** - In the event the Contractor receives payment for services under this contract which is later disallowed for nonconformance with the terms and conditions herein by the County, the Contractor shall promptly refund the disallowed amount to the County on request, or at its option, the County may offset the amount disallowed from any payment due to the Contractor under any contract with the County.
14. **GOVERNING LAW** - This contract shall be construed and interpreted according to the laws of the State of California. Jurisdiction and venue shall be agreed to be in the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of this agreement, the prevailing party shall be entitled to attorney's fees in addition to whatever other relief is granted.
16. **RIGHT TO ACQUIRE EQUIPMENT AND SERVICES** - Nothing in this agreement shall prohibit the County from acquiring the same type or equivalent equipment and/or service from other sources, when deemed by the County to be in its best interest.
17. **SEVERABILITY** - If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
18. **USE BY POLITICAL ENTITIES** - If this R.F.Q./P. leads to an Agreement between the County and the successful bidder(s) for the County's requirements of select item(s) of personal services, the successful bidder(s) agrees to extend the same pricing, terms and conditions to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that political entities, special districts and related non-profit entities shall make purchases in their own name, make direct payment, and be liable directly to the successful bidder(s) holding the County harmless. The County of Riverside may, at its option, charge an administrative fee to those political entities, special districts and related non-profit entities who avail themselves use of this agreement. The successful bidder(s) shall report annually or as otherwise requested by the County, usage and total sales dollar amount information for each individual political entity, special district, and related non-profit entity utilizing County awards.
19. **PROTEST** - Following the notification of the recommendation to award a contract, protests may be submitted to CHA regarding the RFP process and selection of the Contractor. Protests shall be received within five (5) calendar days immediately following the date of notification of the recommendation to award a contract. Protest shall respond in writing to the protester within ten (10) working days of the receipt of protest. Notification shall include the final decision on the protest and the basis for the decision.