

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

902



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
October 10, 2014

**SUBJECT:** Amend the Professional Services Agreement with Inland Empire Health Plan (IEHP) [All District; \$534,222; State Funds]

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

1. Ratify and authorize the Board to execute the attached Professional Services Agreement with Inland Empire Health Plan (IEHP), as recommended by the Health Care Governance Committee to add an additional amount of \$84,222 to cover the term effective January 1, 2014 through December 31, 2014, but not to exceed the aggregate amount of \$534,222.

**BACKGROUND:**

**Summary**

Prior to Health Care Reform which initiated January 1, 2014, Inland Empire Health Plan (IEHP) has been a strategic partner in support of the Low Income Health Plan (LIHP) implementation process. IEHP provided administrative services on a contractual basis which include, but not limited to: claims adjudication, member services, credentialing, member appeals, inpatient utilization management, 24/7 nurse advice line services, member identification card production and issuance, information technology support and data reporting.

Zareh Sarrafian  
Chief Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 84,222	\$ 0	\$ 534,222	\$ 0	Consent Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** State

Budget Adjustment: No  
For Fiscal Year: 13/14-14/15

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

APPROVE

BY   
Debra Cournoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

**Ayes:** Jeffries, Tavaglione, Stone and Ashley  
**Nays:** None  
**Absent:** Benoit  
**Date:** October 28, 2014  
**xc:** RCRMC, Purchasing

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

**Prev. Agn. Ref.:** 07/26/11; 3.2, 12/18/12; 3.6

**District:** ALL

**Agenda Number:**

3-22

FORM APPROVED COUNTY COUNSEL 8/7/14  
BY: GREGORY P. PRIAMOS DATE

Departmental Concurrence

A-30  Positions Added  
4/5  Change Order  
Vote

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

**FORM 11:** Amend the Professional Services Agreement with Inland Empire Health Plan (IEHP) [All District; \$534,222; State Funds]

**DATE:** October 10, 2014

**PAGE:** Page 2 of 2

**BACKGROUND:**

**Impact on Citizens and Businesses**

This service impacts the patients in Riverside County receiving care from Riverside County Regional Medical Center.

**Contract History and Price Reasonableness**

On July 26, 2011, agenda item 3.2 the Board approved Inland Empire Health Plan (IEHP) as the Third Party Administrator (TPA) to Riverside County's Low Income Health Plan (LIHP). And, on December 18, 2012; agenda item 3.6, the Board approved the first amendment which authorized the change in vendors by IEHP for their 24/7 nurse advise line to nurse response.

Due to the termination of the Riverside County Healthcare LIHP, this Agreement—as recommended by the Health Care Governance Committee authorizes IEHP to provide the County of Riverside with TPA services. This Agreement extends the term of the initial contract effective January 1, 2014 thru December 31, 2014 which details TPA services and the administrative services fees for 2014.

The administrative fee for TPA services is illustrated in the table below:

January 2014 – March 2014	\$15,838 per month
April 2014 – June 2014	\$5,987 per month
July 2014 – September 2014	\$4,249 per month
October 2014– December 2014	\$2,000 per month

LJ:ns

Second Amendment  
Inland Empire Health Plan  
Professional Services Agreement

This Professional Services Agreement (the "Agreement") is made and entered into this first day of January, 2014 by and between Inland Empire Health Plan ("IEHP"), and the County of Riverside, through its Low Income Health Program, RIVERSIDE COUNTY HEALTHCARE ("PROVIDER").

NOW THEREFORE, in consideration of their mutual agreements and promises, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows, and in any exhibits or attachments attached hereto and incorporated herein by reference:

A. All terms and conditions of the Agreement for Professional Services dated June 1, 2011, and all applicable amendments to that agreement, are hereby incorporated herein by this reference.

B. The language of Section 1, TERM, is hereby amended to add the following at the end of the existing section:

"An additional term of this Agreement shall commence on January 1, 2014, and shall continue in effect through December 31, 2014, unless terminated as specified in Section 33 (TERMINATION)."

C. A new exhibit, EXHIBIT E, TPA SERVICES FOR CALENDAR YEAR 2014, is hereby added to the Agreement as attached hereto (See attached EXHIBIT E, TPA SERVICES FOR CALENDAR YEAR 2014).

D. Notwithstanding the date of execution, unless otherwise referenced, this Agreement shall be effective January 1, 2014.

E. PROVIDER certifies that the individual signing herein has authority to execute this Agreement on behalf of PROVIDER, and may legally bind PROVIDER to the terms and conditions of this Agreement, and any attachments hereto.

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OCT 28 2014 3-22

IN WITNESS WHEREOF, the parties hereto have signed this Professional Services Agreement as set forth below.

COUNTY OF RIVERSIDE:

INLAND EMPIRE HEALTH PLAN:

By: Jeff Stone  
Chairman  
Board of Supervisors  
JEFF STONE

By: Bradley P. Gilbert, MD  
Bradley P. Gilbert, MD  
Chief Executive Officer

Date: UCT 28 2014

Date: 5/29/14

ATTEST:  
KECIA HARPER-IHEM, Clerk  
By: Kecia Harper-Ihem  
DEPUTY

By: Maureen Alley  
Chair, IEHP Governing Board

Date: 6-9-14

FORM APPROVED COUNTY COUNSEL  
BY: Neal R. Kipnis 6/7/14  
NEAL R. KIPNIS DATE

Attest: Dunnie Hargrove  
Secretary, IEHP Governing Board

Date: 6-10-14

Approved as to Content:  
RIVERSIDE COUNTY HEALTHCARE

By: David M. Johnson  
Chief Executive Officer

Date: 19 May 2014

Approved as to Form:

By: \_\_\_\_\_  
Deputy County Counsel

By: Jinny K. Yang  
Jinny K. Yang  
Staff Counsel for Inland Empire Health Plan

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

Date: 6/10/14

**EXHIBIT E**

**TPA SERVICES FOR CALENDAR YEAR 2014**

Due to the termination of the RCHC Low Income Health Program effective January 1, 2014, TPA Services and the Administrative Fee shall be adjusted as follows:

TPA Services:

- Member Services shall be maintained until February 14, 2014
- Claims processing and configuration shall be maintained until September 30, 2014
- Appeals and Grievances shall be maintained until February 28, 2014
- Eligibility and Enrollment shall be maintained until March 31, 2014
- General administrative support as stated in Attachment A shall continue as necessary to wind down the RCHC Program

TPA Administrative Fee:

The Administrative Fee for TPA Services shall be the following:

- January 2014- March 2014                      \$15,838.00 per month
- April 2014- June 2014                         \$5,987.00 per month
- July 2014- September 2014                    \$4,249.00 per month
- To the extent the claims processing and configuration services are not assumed by PROVIDER on October 1, 2014, PROVIDER agrees to pay the administrative fee of \$2,000 per month until such services are terminated. Additionally, the costs associated with Imagenet, Web Service URL, ID Card production and mailing, TTY and 1-800 Member Services Line shall continue to be charged based on invoice costs. This provision shall survive termination of this Agreement; invoices submitted to PROVIDER shall be honored and paid pursuant to the terms of the Agreement.

MAXIMUM ANNUAL COMPENSATION PAYABLE UNDER THIS SECOND AMENDMENT SHALL NOT EXCEED EIGHTY-FOUR THOUSAND, TWO HUNDRED TWENTY-TWO DOLLARS (\$84,222.00) FOR THE PERIOD EFFECTIVE JANUARY 1, 2014 THROUGH DECEMBER 31, 2014.