

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

104



**FROM:** Riverside University Health System – Medical Center

**SUBMITTAL DATE:**  
May 31, 2016

**SUBJECT:** Approve the First Amendment to the Agreement for Clinical Assessment Services with Germane Solutions through June 30, 2017; All Districts; [\$121,000]; Hospital Enterprise Fund

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

1. Approve and execute the First Amendment for Clinical Assessment Services with Germane Solutions to increase the Agreement amount by \$121,000 from \$135,300 to \$256,300 annually for one year; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to sign amendments that do not change the substantive terms of the Agreement, and sign amendments to the compensation provisions that do not exceed ten (10) percent annually.

**BACKGROUND:**

**Summary**

The action of the Board will extend the Agreement with Germane Solutions for one additional year and increase the contract amount by \$121,000. Germane will help the hospital to upgrade the hospital-based Family Care Center (FCC) into a Federally Qualified Health Center (FQHC) designated clinic site.

\_\_\_\_\_  
Zareh H. Sarrafian,  
CEO – Health System

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 121,000	\$ 0	\$ 121,000	\$ 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 40050				Budget Adjustment: No	
				For Fiscal Year: 15/16-16/17	

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

**APPROVE**

BY: Christopher M. Hans  
Christopher M. Hans

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Washington, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: July 12, 2016  
xc: RUHS, Purchasing

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

Prev. Agn. Ref.: 10/20/15; 3-19 | District: ALL | Agenda Number:

3-32

FORM APPROVED COUNTY COUNSEL  
 BY: Marsha L. Victor DATE: \_\_\_\_\_  
 MARSHA L. VICTOR  
 Departmental Concurrence  
 PURCHASING & SUPPORT SERVICES: Lisa Brandl  
 Lisa Brandl, Director  
 A-30  Positions Added  Change Order  
 4/5 Vote

**BACKGROUND:**

**Summary (continued)**

Riverside University Health System (RUHS) through the assistance of Germane Solutions is currently updating, augmenting, and improving the infrastructure of its clinics related to the recent award of Federally Qualified Health Center (FQHC) status. Of the 74 clinics associated with RCRMC, 10 Family Care Centers (FCCs) exist under the FQHC umbrella and are located throughout the County. The conversion to full FQHC status required various changes which required Germane to initially develop major work plans to ensure its success.

Germane assisted RUHS with implementation of these work plans based upon Board approval on October 20, 2015; (Agenda Item 3-19). Today's Amendment requests an extension to the period of performance to allow time to complete the project and for Germane to assist in the conversion of the RUHS hospital-based FCC into a FQHC designated clinic site. The hospital-based FCC would then become part of the health centers currently covered under RUHS's FQHC designation.

There are a number of advantages for RUHS to convert the FCC into an FQHC, but the most important allows RUHS FQHC to augment its current 48,608 clients/125,601 visit annual profile to meet the 58,225 clients/174,675 visits profile listed in its New Access Point Grant (Form 1A) by 2017. Given the volume and timeframe, it would be challenging for RUHS alone, to add the additional 9,617 clients/49,074 annual visits within the two-year timeframe.

**Impact on Citizens and Businesses**

Alignment of the Hospital, its site-based clinics and community-based clinics will allow more patients to be seen. All together they are expected to providing more than 450,000 patient encounters each year. The local economy will reap positive benefits from the presence of a thriving regional health system and where patients of all incomes can obtain high quality healthcare services.

**Contract History and Price Reasonableness**

On October 20, 2015, (Agenda Item 3-19), the Board approved the Professional Services Agreement with Germane Solutions for an annual amount of \$135,300. This FQHC conversion would allow the FCC to come under the umbrella of RUHS's existing 10-FQHC system and remain on hospital property. Integration of the FCC would yield an increase of 20,000 additional clients and 60,000 more visits. Germane Solutions price of \$121,000 to implement this work plan is similar to the price paid for its previous work.

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT**

**WITH**

**GERMANE SOLUTIONS**  
(Consulting Services)


That certain Agreement between County of Riverside, Riverside University Health System – Medical Center (“COUNTY”) and **Germane Solutions**, (“CONTRACTOR”), initially executed October 20, 2015; Agenda Item No. 3-19, is hereby amended as follows:

1. Delete the language of **Section 2. Period of Performance** in its entirety and replace with the following:  
“This Agreement extends the period through June 30, 2017, unless terminated as otherwise provided herein.”
2. Delete the language of **Section 3. Compensation, subsection 3.1** in its entirety and replace with the following:  
“The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with Exhibit B as specified in the Master Agreement and with Exhibit A.1 attached hereto and incorporated herein. Maximum payments by COUNTY to CONTRACTOR shall not exceed two hundred fifty six thousand three hundred dollars (\$256,300) annually. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B or Exhibit A.1, COUNTY shall not be responsible for payment of any CONTRACTOR’s expenses related to this Agreement.”
3. Amend the Agreement to include **Exhibit A.1, Scope of Work**, as attached.
4. All other terms and conditions of this Agreement are to remain unchanged.

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


[INTENTIONALLY LEFT BLANK]

**COUNTY OF RIVERSIDE**, a political  
subdivision of the State of California

By:   
John J. Benoit, Chairman  
Board of Supervisors

Dated: JUL 12 2016

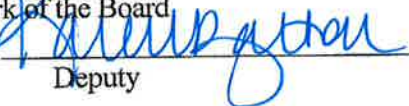
**GERMANE SOLUTIONS**

By:   
Tracy Kulik,  
Vice President of Health Access  
Germane Solutions

Dated: June 9, 2016

ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos  
County Counsel

By:   
Martha Knutson,  
Deputy County Counsel

**GERMANE SOLUTIONS  
SCOPE OF WORK**

**Project Overview/Work Plan**

The two major components of the work plan include determining the value proposition, defining the structure and implementing operational components.

**Conversion of Hospital Based Clinic(s) to FQHC**

Value Proposition <i>Determine variance in current v. proposed funding streams</i>	Infrastructure <i>Assess steps to achieve volume and integrate Hospital Based Clinic</i>
<ul style="list-style-type: none"> <li>• Determine reimbursement (current) vs. (proposed) for Medi-Cal, Medicare, Family PACT, Inland Empire Health Plan and other</li> <li>• Define changes required in credentialing (regulatory) and related reimbursement mandates, managed care contracting and financial incentives (productivity, tracking)</li> <li>• Conclude on bottom line to FQHC in addition to achieving target volume</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity to convert Hospital Based Clinic to FQHC (timeframe to onboard &amp; orient providers, issues with physical facility and space, integration and employment/benefit status)</li> <li>• Detail ability to subcontract Hospital based providers in interim</li> <li>• Determine physical facility and capacity in light of impending HRSA Capital grant</li> </ul>

**Work Area #1 – Value Proposition**

The first Work Area, determining the Value Proposition, includes three work steps:

1. Establish operational and financial baselines for the Family Care Clinic (FCC) and the RUHS’s ten existing FQHC sites;
2. Determine reimbursement ramifications from current to proposed rates with detail by payer type;
3. Define changes required in processes (credentialing, billing, managed care contracting).

Prior to any work being completed on the FCC conversion, it is imperative that RUHS confirm the financials and operational volumes at both the FCC and the ten current FQHC sites. Undertaking this step will allow RUHS to confirm or revise the profiles of each site, and use the new baseline to develop a solid foundation for the conversion process. CONTRACTOR will work with RUHS personnel to gather needed data, and will produce the following analyses:

- Clinical Profile (via the PROMPT tool, CONTRACTOR proprietary software)

- Patient volume by provider, type and day of week
- Payer mix
- Provider productivity by type and activity
- Leverage ratios for residents and faculty
- Financial profile
  - Identify key revenue and cost drivers for each site
  - Confirm key assumptions made to derive current financial projections including the current and proposed financial funds flow between the hospital and the FQHCs
  - Identify any opportunities/strategies that may help facilitate the conversion process

At the end of Work Area #1, CONTRACTOR will provide RUHS leadership with summarized profiles for each site and provide key information and recommendations (including a “go/no-go” decision) regarding the FQHC conversion.

#### **Work Area #2 - Infrastructure**

Converting the FCC from hospital based to FQHC status will require both parties to rely on each other to execute their responsibilities effectively. A comprehensive plan needs to be developed that addresses any ambiguity in key work areas and provides a road map for success. In our previous FQHC conversion engagements, CONTRACTOR has identified seven key points to be addressed for a successful FQHC conversion:

- (1) Governance
- (2) Regulatory
- (3) Personnel
- (4) IT/Electronic Medical Record (EMR)
- (5) Economics
- (6) Operations/Productivity
- (7) Infrastructure/Training

RUHS co-applicant status as well as employment of key personnel by the County should mitigate many complications experienced by less aligned organizations. Using these areas as a framework, CONTRACTOR will work with RUHS personnel to create an operational plan to ensure that the conversion process is addresses each item. Additionally, Germane will help

RUHS sequence key events and develop timetables for the implementation. Specifically, CONTRACTOR will provide the following deliverables in this work area:

- Create a process to phase the migration of personnel from hospital to the FQHC including (as needed) the use of subcontracting as interim measure;
- Ensure that there are no major EMR issues regarding the transition from hospital to FQHC
- Identify operational changes that could be used to improve provider productivity and document potential fiscal improvements that could result from PCC provider's adherence to the FQHCs productivity imperative (i.e. compare new FQHC productivity/financials with the existing Hospital-Based clinic baselines).
- Assess the RUHS capacity to convert FCC's to FQHC status (timeframe to onboard, orient and issues with physical space, integration)

#### **Project Fees**

Overall professional fees for this project shall not exceed \$121,000 including all expenses.