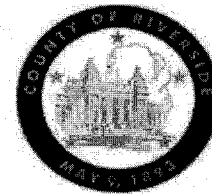


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.49
(ID # 3258)

MEETING DATE:

Tuesday, January 17, 2017

FROM : RUHS-MEDICAL CENTER:

SUBJECT: Ratify the Third Amendment to the Agreement with Germane Solutions to develop a strategic plan to improve the operation of the Riverside University Health System (RUHS) Clinics effective December 13, 2016 through June 30, 2017; All Districts; [\$180,000]; Hospital Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

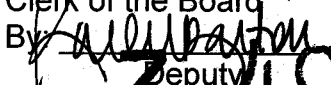
1. Ratify the Third Amendment to the Agreement with Germane Solutions to develop a strategic plan to improve the operation of the RUHS clinics for an increased contract cost of \$180,000 (from \$306,299 to \$486,299) effective December 13, 2016; and
2. Authorize the Purchasing Agent, in accordance with 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.

Zareh Sakrajan, Chief Executive Officer – Health System 1/10/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: January 17, 2017
xc: RUHS, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By 
Deputy

3.49

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

BACKGROUND:

Summary

The action of the Board will approve a Third Amendment with Germane Solutions increasing the contract amount by \$180,000 for Germane to develop a strategic plan to realign the operation of the RUHS clinics.

Since RUHS achieved full Section 330 Grant status in August 2015, Germane Solutions has helped update, augment and improve the infrastructure of its clinics. Germane also assisted RUHS with the conversion of two large primary care clinics into FQHC sites as part of its New Access Point (NAP) Grant Award.

There are four major work areas which Germane will help to improve through this Amendment, they are:

- (1) Explore and validate new FQHC cost reporting practices including potentially filing as a single entity and/or including GME costs within the Medicare and Medi-Cal cost reporting submission;
- (2) Assess the three primary care oriented hospital-based clinics (Pediatrics, Internal Medicine, ObGyn) at the hospital to determine the financial impact of converting to FQHC status and related operational issues;
- (3) Assist with the Capital Grant application for renovation or replacement of four of the existing ten FQHC sites (Banning, Corona, Hemet and Jurupa); and possible funding of a new Moreno Valley site; and
- (4) Help with filing a change in scope application to convert hospital-based clinics to FQHC status.

This amendment will fund services that could result in improved productivity for all the FQHCs and two primary clinics that could potentially earn RUHS collectively, an additional \$4.6 Million in Medicaid funding with additional benefit from Medicare and other productivity based payors.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 180,000	\$ 0	\$ 180,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: RUHS Ambulatory Care Clinics Fund 21610			Budget Adjustment 0 No	
			For Fiscal Year: 16/17	

C.E.O. RECOMMENDATION: [CEO use]

Impact on Residents and Businesses

Assistance with regulatory compliance allows the organization to identify areas where care and administration can be improved, and also protects existing revenue streams.

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

Contract History and Price Reasonableness

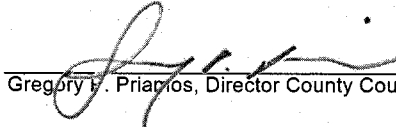
On October 20, 2015, (Agenda Item 3-19), the Board approved a Professional Services Agreement with Germane Solutions for an annual amount of \$135,300. On July 12, 2016, (Agenda Item 3-32), the Board agreed to a one year extension of the contract for \$121,000 to complete the work plans designated.

On November 15, 2016, (Agenda Item 3.33), the Board approved the ratification of a Second Contract Amendment for \$49,999 which covered Germane's efforts to assist RUHS staff in preparation for the Health Resources and Services Administration (HRSA) audit. This Third Amendment will cover services to develop a strategic plan to realign the operational structure of the FQHCs and other clinics to help gain additional Medicaid funding for RUHS.



Lisa Brandl, Director of Purchasing and Fleet Services

1/11/2017



Gregory L. Priamos, Director County Counsel

1/10/2017

THIRD 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”), executed October 20, 2015; Agenda Item No. 3-19, is hereby amended as follows:

1. The second sentence in Section 3. Compensation, subsection 3.1 is deleted in its entirety and replaced with the following:

"Maximum payments by COUNTY to CONTRACTOR shall not exceed four hundred eighty-six thousand three hundred dollars (\$486,300)."
2. Amend the Agreement to include Exhibit A.2, Scope of Work, as attached.
3. Amend the Agreement to include Exhibit B.1, Payment Provisions, as attached.
4. All other terms and conditions of this Agreement are to remain unchanged.

IN WITNESS WHEREOF, the parties have executed this Amendment.

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

By: _____

JOHN TAVAGLIONE
Board of Supervisors

Dated: JAN 17 2017

GERMANE SOLUTIONS

By: _____

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

Dated: 12/21/2016

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: _____

Deputy

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: _____

Karin Watts-Bazan
Assistant County Counsel

**GERMANE SOLUTIONS
SCOPE OF WORK**

Project Overview/Work Plan

There are four major work areas Germane has identified for improvement:

- 1) Explore and validate new Federally Qualified Health Center (FQHC) cost reporting practices including potentially filing as a single entity and/or including GME costs within the Medicare and medi-Cal cost reporting submission;
- 2) Assess the three primary care oriented hospital-based clinics (Pediatrics, Internal medicine, OB/GYN) to determine the financial impact of converting to FQHC status and related operational issues;
- 3) Assist with the Capital Grant for renovation or replacement of four of the existing ten sites (Banning, Corona, Hemet and Jurupa); and possible funding of the new Moreno Valley site for FCC 1 (and possibly 2); and
- 4) Help with filing the Change In Scope to convert Hospital-Based Clinics to FQHC status.

Work Area #1 – Explore and validate new FQHC Cost Reporting Practices

Germane's analysis recommends consolidating the FQHC sites into a single, unified Cost Report and absorbing most of RUHS's GME costs (including residents) within the FQHC structure is financially advantageous for RUHS.

Germane will help RUHS determine the approximate value of both initiatives as well as structure the reporting process to ensure RUHS generates the maximum amount of additional reimbursement

Review Process for Absorbing GME Related Cost within the FQHC

Germane will review the existing RUHS's resident rotation data to determine if enough transparency exists with the tracked inbound/outbound rotations to use this data for redesign purposes. Germane will then develop a baseline and summary of all resident rotations (as available) and identify which ones may be claimable for RUHS in both a hospital (inpatient) and FQHC setting.

Germane will review the existing naming conventions for all program rotation schedules, clarify outstanding naming issues (particularly those associated with continuity clinics or other FQHC rotations) with the respective program directors, and offer recommendations about alternative naming conventions that provide transparency for RUHS leadership, as well as, state and federal regulators.

Germane will review RUHS's IRIS data from the previous year and identify if any previous rotations into FQHCs have been claimed as well as set up a process to ensure that only the FQHCs have the ability claim the cost of the residents on a go forward basis. Germane has experience reviewing the IRIS data and will work with RUHS personnel to ensure that it is properly counted and input prior to submission to CMS.

Quantify the Financial Impact of New Cost Reporting Practices

It is important to quantify this finding and understand direct and indirect impact for both parties (RUHS FQHC and RUHS proper). Germane will develop financial models that depict the changes for the next five years for both organizations as a result of consolidating the cost reports and absorbing additional GME related costs. The financial models will include the following areas of analysis:

- Changes in revenues and expenses for both organizations, including additional revenue and costs that will directly result from both transitions;
- Projected value of increased patient volume from optimized GME programs operating within the FQHC settings;
- Potential increases in reimbursement payments that result from a single consolidating cost report filing (based on expected increases in productivity at select sites)
- Identify current RUHS funding streams that will be impacted by the transition in addition to the loss of Medicare GME revenue
- Determine the net impact on both the Hospital and FQHC from implementing the funding of resident stipends and fringe benefit to move resident costs (and resident count) to the FQHC/ambulatory setting;
- Determine any individual site rate changes that may result from consolidating into a single Cost Report filing;
- Develop new funds flow processes needed to maintain financial stability;
- Develop recommendations to Hospital and FQHC leadership on how to implement the funds flow changes;
- Identify key insights, developed through this project, to improve patient care throughput

Germane will provide RUHS leadership with recommendations regarding whether to file a consolidated Cost Report and absorb the additional costs of the GME programs. This report will determine if this move will be positive from a financial perspective, and identify what level of cost transfer is appropriate to maximize the overall benefit to both the health system and the FQHC.

Work Area #2 – Assess conversion of the remaining Hospital-Based Clinics to FQHC status
Germane will assess, at a high level, the impact of the three (3) remaining hospital-based clinics (Pediatrics, Internal Medicine, OB/GYN) with volumes of 12-14,000 visits per year each for Pediatrics and OB/GYN and 8-10,000 for Internal Medicine. Germane will use its data analytics platform to create a baseline data points that will be used to identify key cost centers with the

current clinics, which will also drive the future financial impact as an FQHC. These include understanding the current staffing and range of services provided at the three clinics and determine if they will positively or negatively impact RUHS under an FQHC conversion (i.e. Behavioral Health).

The final deliverable provided by Germane will be a high level financial pro forma for each of the 3 sites that demonstrates the expected financial impact under the current model as well as under an FQHC structure including that includes any expected changes in reimbursement and staffing. The analysis will also include recommendations related to how effectively the current staffing models will work in an FQHC compared with a more optimized model of care (i.e. integrated care).

Work Area #3 – Support the Capital Grant filing

Germane will assist with the Capital Grant filing related to renovation or new construction of clinics including four (4) of the existing sites (Banning, corona, Hemet and Jurupa) and development of the proposed Moreno Valley site for relocation of the Hospital-Based Clinics converting to FQHC status.

Four (4) Sites of 10 Total Proposed For Capital Renovation, 2016						
RUHS FQHC SITE	CURRENT SITE		PROPOSED SITE			NOTES
	CURRENT PROVIDERS	ANNUALIZED 2015 BILLABLE VISITS	TARGET # OF NEW PROVIDERS	TARGET ANNUAL VISITS	# OF EXAM ROOMS NEEDED	
BANNING	3	5,154	4 – 5	17,000 – 22,000	16 – 18	Include space for WIC & Geriatrics given Demographics
CORONA	2	8,251	4 – 5	17,000 – 22,000	12 – 15	Include space for WIC & Behavioral Health
HEMET	4	10,446	6 – 7	25,000 – 30,000	18 – 21	Add Pharmacy, another clinic recently opened here (Clinicas de Salud)
JURUPA	3	9,462	4 – 5	17,000 – 21,000	12 – 15	Molina is nearby and Rubidoux is close

Work Area #4 – Guide filing the Change in Scope for Hospital-Based to FQHC Status
Germane will guide grants staff prepare and file the Change in Scope required to officially confer FQHC status (and enhanced Medi-Cal/Medicare reimbursement) on the converted Hospital-Based Clinics.

**GERMANE SOLUTIONS
PAYMENT PROVISIONS**

Overall professional fees shall not exceed \$180,000 for the four (4) work areas described in Exhibit A.2. CONTRACTOR shall be reimbursed as follows:

WORK AREA	TOTAL HOURS	COST
Cost Reports	250	\$65,000
Assessment of 3 other Hospital-Based Clinics for Conversion to FQHC	485	\$97,000
Support with Capital Grant	50	\$10,000
Support with filing Change in Scope	40	\$8,000
TOTAL	825	\$180,000