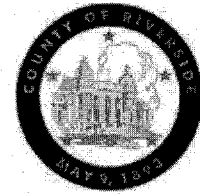


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.28
(ID # 4130)

MEETING DATE:
Tuesday, May 9, 2017

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RUHS - FQHC CLINICS: Approve and execute the First Amendment to the Professional Services Agreement with Ray and Associates LLC to provide Executive Level Consultation Services for the Federally Qualified Health Centers (FQHC) effective May 2, 2017, 1 year; District 5; [\$465,500], RUHS Ambulatory Care Clinic Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the First Amendment to the Professional Services Agreement with Ray and Associates LLC to increase the "not to exceed" amount of the Agreement by \$190,500 from \$275,000 to \$465,500 effective May 2, 2017; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 as approved by County Counsel to sign amendments that do not change the substantive terms of the agreement and to sign amendments to the compensation provision that do not exceed ten percent annually.

ACTION:

Zareh Sacrafian, Chief Executive Officer - Health System 4/20/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley 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: May 9, 2017
xc: RUHS-Medical Center, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 77,583	\$ 387,917	\$ 465,500	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Health Resources and Services Administration – 100%			Budget Adjustment:	No
			For Fiscal Year:	
			16/17-17/18	

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

BACKGROUND:

Summary

The requested Board action will approve the First Amendment to increase the contract amount by \$190,500 to appropriately support the FQHC Fiscal Department by achieving financial and operational performance in order to meet Health Resources and Services Administration (HRSA) requirements.

Riverside University Health System (RUHS) is requesting the additional services of a qualified consultant to assess and provide fiscal guidance for the FQHC Clinics. HRSA recently conducted a site visit with the FQHC clinics and the FQHC clinics are in the process of addressing financial deficiencies identified during the site visit. Ray and Associates has over 40 years FQHC experience to address the HRSA site visit deficiencies in a timely manner.

Impact on Residents and Businesses

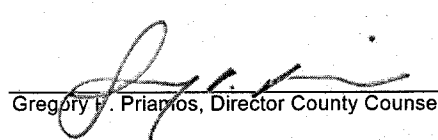
The local economy experiences positive benefits from the presence of a thriving regional health system that is served by a qualified workforce, and where patients of all incomes who might otherwise seek providers in neighboring counties can obtain high quality healthcare services. The proper function of the FQHC with the Medical Center are essential to its operations.

Contract History and Price Reasonableness

On April 11, 2017, agenda item number 3.49, the Board of Supervisors approved the contract with Ray and Associates to provide executive level consultation services not to exceed \$275,000. This amendment provides additional services including but not limited to conducting an on-site assessment and assisting in the development of a HRSA Corrective Action Plan which increases the annual amount. Ray and Associates possesses the unique qualities and expertise specifically designed to guide the financial division as it pertains to the FQHC clinics.


Lisa Brandl, Director of Purchasing and Fleet Services

4/20/2017


Gregory F. Priamos, Director County Counsel

5/3/2017

FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT

WITH

RAY AND ASSOCIATES LLC (FQHC Consulting Services)

That certain Agreement between County of Riverside, a political subdivision of the State of California, on behalf of the Riverside University Health System ("COUNTY") and Ray and Associates LLC, ("CONTRACTOR"), approved April 11, 2017; agenda item number 3.49, is hereby amended as follows:

1. The second sentence of **Section 3.1**, is deleted in its entirety and replaced with the following:

"Maximum payments by COUNTY to CONTRACTOR shall not exceed four hundred sixty-five thousand five hundred dollars (\$465,500), including all expenses."

2. Amend Exhibit A, Section 1.0, letter B to add the following:

- On-site assessment to evaluate the current fiscal system of the Federally Qualified Health Center (FQHC). Eight (8) days of professional services at \$2000/day, which includes four (4) days onsite, three (3) days preparation and report-writing one (1) day travel.
- Assist in the development of a HRSA Corrective Action Plan #1 to address the following competencies that were not met during the Health Resources and Services Administration (HRSA) Program Site Visit:
 - Program Requirement #12 - Financial Management and Control Policies
 - Program Requirement #13 - Billing and Collections
 - Program Requirement #14 - Budget

Five (5) days of professional services; all consulting to be done off site.

- Based on the on-site assessment, develop a Financial Corrective Action Plan #2 that includes:
 - Revise internal policies and control systems to reflect Generally Accepted Accounting Principles (GAAP), including the separation of federal and nonfederal funding streams.
 - Develop fiscal policies to ensure compliance with County of Riverside and HRSA regulations.
 - Develop and implement appropriate billing, credit and collection policies and procedures for financial management of the FQHC.
 - Create a plan to convert financial statements from a cash basis to accrual basis.
 - Assist with implementation of Chart of Accounts.
 - Assist with developing grant and operational budgets.

- Establish a dashboard with key benchmark data for managing the FQHC, including clinical productivity reports, monthly financial statements and financial outcome reports.
- Create a tracking mechanism to ensure timely submission of required federal reports.

Ten (10) days of professional services.

- Complete the on-site assessment, evaluation and the development of the HRSA Corrective Action Plan#1 by May 12, 2017.
- Provide advice regarding the implementation of the Corrective Action Plan, including support and training of FQHC fiscal and billing staff and advise the Interim Executive Director, FQHC to ensure compliance with Riverside County and HRSA regulations. Sixty (60) days of professional services, five on-site four-day trips over the period May 1- December 31, 2017

Subtotal: eighty-three (83) professional days and six (6) trips @ \$2000/trip

All professional services days based on County staff completing tasks, as outlined by consultant, correctly and on time. If County staff lack of performance causes delays, additional professional service days will be required.

3. Delete Section 2.0 in Exhibit B and replace with the following:

“CONTRACTOR shall submit a monthly invoice in arrears for services rendered. Such invoice shall be submitted no later than the 15th day of the month. COUNTY will pay for such services billed no later than thirty (30) days from receipt of the invoice. CONTRACTOR will be paid:

- a) Twenty-two thousand nine hundred seventeen dollars (\$22,917) each month for FQHC consultation services; and
- b) Twenty-three thousand eight hundred thirteen dollars (\$23,813) each month for professional financial services through December 31, 2017.”

4. Delete Section 3.0 in Exhibit B and replace with the following:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed four hundred sixty-five thousand five hundred dollars (\$465,500) for the period of this agreement including all expenses.

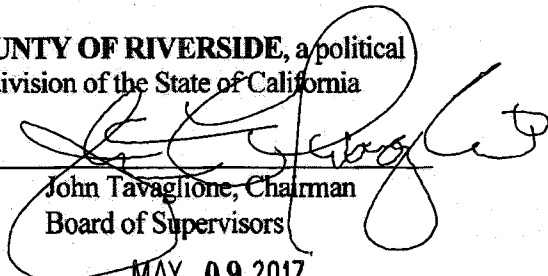
5. All other terms and conditions of this Agreement are to remain unchanged.


[INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Amendment.

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

RAY AND ASSOCIATES LLC

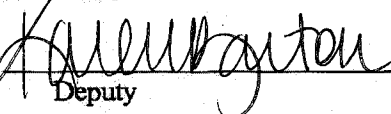
By: 
John Tavaglione, Chairman
Board of Supervisors

By: 
Sheila S. Ray,
President

Dated: MAY 09 2017


Dated: 13 April 17

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Gregory Priamos
County Counsel

By: 
Karin Watts-Bazan,
Assistant County Counsel