

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



ITEM
3.88
(ID # 5086)

MEETING DATE:

Tuesday, August 29, 2017

FROM : RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS):

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS): Ratification of the First Amendment to the Professional Service Agreements for Third Party Liability Services for one year; July 1, 2017; All Districts; [\$500,000 Total]; Hospital Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and execute the First Amendment with Health Advocates, LLC for Third Party Liability Services for \$300,000 annually effective July 1, 2017 to June 30, 2018.
2. Ratify and execute the First Amendment with Compspec, Inc. for Third Party Liability Services for \$200,000 annually effective July 1, 2017 to June 30, 2018.
3. 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 sign amendments to the compensation provisions that do not exceed ten (10) percent annually.

ACTION:

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington, Perez and Ashley
Nays: None
Absent: Tavaglione
Date: August 29, 2017
xc: RUHS, Purchasing

Kecja 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	\$ 500,000	\$0	\$ 500,000	\$ (N/A)
NET COUNTY COST	\$0	\$0		\$ (N/A)
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 17/18	

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

BACKGROUND:

Summary

The requested board action will approve the hospital amendments for Health Advocates, LLC and Compspec, Inc., to allow the third party vendors to bill and collect for past services rendered while a formal Request for Proposal (RFP) is being finalized as a result of competitive bidding.

The Third party liability vendor aids healthcare facilities and hospitals in recovering monies owed by appealing denied cases. Compspec, Inc. and Health Advocates, LLC assists patients with completing fields on mandated healthcare forms and reviewing and investigating patient accounts to determine a third party affiliation. Third party liability services aim to reduce bad debts and increase hospital cash flow. Their process for revenue recovery has aided their customers in recuperating millions of dollars in disproportionate share funds.

Compspec, Inc. along with Health Advocates, LLC has a combined experience and expertise level of over 20 years in Medi-Cal eligibility and billing. The vendors utilize high quality skip tracing tools, computer systems and applications which enables their company to interface with RUHS's system and expediently exchange data. This allows for a faster method for RUHS to collect and recuperate monies owed. Their income is contingent upon the monies they collect. Dollars collected by the vendor not only generates income for the vendor, but also generates and inflates revenue for the hospital and clinics.

Impact on Residents and Businesses

The hospital and surrounding communities will benefit by having access to care at RUHS and its affiliated clinics. The monies collected by the contingency based providers increases overall revenue which allows for continued expansion and possibilities of new and revised programs.

Contract History and Price Reasonableness

On July 26, 2016; (Agenda Item no. 3-44), the Board approved the Third Party Liability Services Agreements for Compspec, Inc. and Health Advocates, LLP to provide third party liability services. These were for difficult and complex settlement issues, specifically where identification of patient's third party coverage is not readily obtained. This is a contingency rate based contract. The rates are not subject to change.

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

The one year amendment with Health Advocates and Compspec will amend the agreement effective July 1, 2017 to allow an additional fiscal year for RUHS to finalize a formal Request for Proposal (RFP), award a bid to the most responsive/responsible bidder and provide a smooth transition to the new awarded vendor.



Douglas Cady, Principal Management Analyst

8/21/2017



Teresa Summers, Assistant Director of Purchasing

8/17/2017



Gregory L. Priamos, Director County Counsel

8/18/2017

FIRST AMENDMENT TO THE AGREEMENT

WITH

HEALTH ADVOCATES, LLC
(Third Party Liability Services)

That certain Agreement between County of Riverside ("COUNTY") and HEALTH ADVOCATES, LLC ("CONTRACTOR"), executed July 1, 2015 is hereby amended as follows.

1. The language in Section 2.1, **Period of Performance**, is deleted in its entirety and replaced with the following:

"The term of this Agreement is extended from July 1, 2017 to June 30, 2018, unless terminated earlier."

2. The language in Section 3.1, **Compensation** is amended to include the following:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed three hundred thousand dollars (\$300,000) annually including all expenses. 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, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

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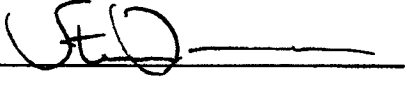
IN

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

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

CONTRACTOR

By: 

By: 

Name: JOHN TAVAGLIONE

Name: STEVE LEVINE

Title: CHAIRMAN, BOARD OF SUPERVISORS


Title: CEO

Date: AUG 29 2017

Date: 8/15/17

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: 

Martha Ann Knutson,
Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM, Clerk

By: 
DEPUTY

FIRST AMENDMENT TO THE AGREEMENT

WITH

COMPSPEC, INC.

(Third Party Liability Services)

That certain Agreement between County of Riverside ("COUNTY") and COMPSPEC, INC. ("CONTRACTOR"), executed July 1, 2015 is hereby amended as follows.

1. The language in **Section 2.1, Period of Performance**, is deleted in its entirety and replaced with the following:

"The term of this Agreement is extended from July 1, 2017 to June 30, 2018, unless terminated earlier."

2. The language in **Section 3.1, Compensation** is amended to include the following:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed two hundred thousand dollars (\$200,000) annually including all expenses. 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, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

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IN WITNESS WHEREOF, the parties have executed this Amendment.

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

By: [Signature]
Name: Nabil (Bill) Haddad
Title: President
Date: 08/15/17

County of Riverside
~~CONTRACTOR~~

By: [Signature]
Name: JOHN TAVAGLIONE
Title: CHAIRMAN, BOARD OF SUPERVISORS
Date: AUG 29 2017

APPROVED AS TO FORM:
Gregory Priamos
County Counsel

By: [Signature]
Martha Knutson,
Deputy County Counsel

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