

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



ITEM
3.29
(ID # 6826)

MEETING DATE:

Tuesday, June 12, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS): Approval of the Second Amendments to the Professional Service Agreements for Third Party Liability Services with Compspec, Inc. and Health Advocates, LCC. All Districts; [\$500,000 Total Cost; up to \$50,000 in additional compensation]; Hospital Enterprise Fund

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second Amendment to the Professional Service Agreement for Third Party Liability Services between the County of Riverside and Health Advocates, LLC for \$300,000 annually effective July 1, 2018 to June 30, 2019, and authorize the Chairman of the Board to execute said amendment on behalf of the County.
2. Approve the Second Amendment to the Professional Service Agreement for Third Party Liability Services between the County of Riverside and Compspec, Inc. for \$200,000 annually effective July 1, 2018 to June 30, 2019, and authorize the Chairman of the Board to execute said amendment on behalf of the County.
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 agreements and sign amendments to the compensation provisions that do not exceed ten (10) percent annually.

ACTION: Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 5/24/2018

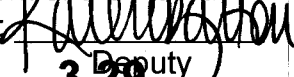
MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: June 12, 2018

xc: RUHS-Medical Center, Purchasing
Page 1 of 3 ID# 6826

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy
3.29

**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	\$ 0	\$ 500,000	\$500,000	\$ 0
NET COUNTY COST	\$ 0	\$ 500,000	\$500,000	\$ 0
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment:	No
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested board action will approve the second amendments for Health Advocates, LLC and Compspec, Inc., to allow the third party liability 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 vendors aid 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 shared 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 companies to interface with RUHS's system and expediently exchange data. This allows RUHS to collect and recuperate monies owed faster. Their income is contingent upon the monies they collect. Dollars collected by the vendor not only generates income for the vendor, but also generates 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 the possibility 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. These were for difficult and complex settlement issues, specifically where identification of patient's third party coverage is not readily obtained. On August 29, 2017 (Agenda Item no. 3.88) the Board approved the first amendments for Compspec, Inc. and Health Advocates LLC for a combined maximum annual

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STATE OF CALIFORNIA**

compensation amount of \$500,000. These are contingency rate based contracts. The rates are not subject to change.

The second amendments with Health Advocates LLC and Compspec, Inc. will amend the agreements effective July 1, 2018 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.

ATTACHMENTS:

Attachment A: SECOND AMENDMENT TO THE PROFESSIONAL SERVICE
AGREEMENT FOR THIRD PARTY LIABILITY SERVICES BETWEEN
THE COUNTY OF RIVERSIDE AND COMPSPEC, INC.

Attachment B: SECOND AMENDMENT TO THE PROFESSIONAL SERVICE
AGREEMENT FOR THIRD PARTY LIABILITY SERVICES BETWEEN
THE COUNTY OF RIVERSIDE AND HEALTH ADVOCATES, LLC



Melissa Noone, Associate Management Analyst

6/4/2018



Gregory V. Priamos, Director County Counsel

5/24/2018

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN THE COUNTY OF RIVERSIDE AND COMPSPEC, INC.**

That certain Professional Service Agreement for Third Party Liability Services approved July 26, 2016, Agenda Item No. 3.44 ("Agreement"), made by and between the COUNTY OF RIVERSIDE ("COUNTY"), a political subdivision of the State of California, on behalf of Riverside University Health System ("RUHS"), and COMPSPEC, INC. ("CONTRACTOR"), a California corporation, with a first amendment approved August 29, 2017, Agenda Item No. 3.88 ("First Amendment"), is hereby amended as follows:

1. Subsection 2.1 of Section 2. Period of Performance is hereby amended to extend the period of performance as follows:

"The period of performance of this Agreement shall be extended for twelve months (12) months commencing on July 1, 2018 and continuing through June 30, 2019."
2. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.
3. Effective Date. This Second Amendment to the Agreement shall become effective July 1, 2018.

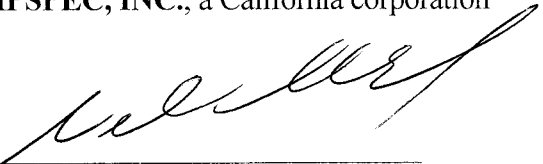
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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Second Amendment.

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

COMPSPEC, INC., a California corporation

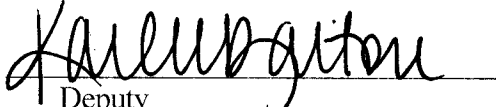
By: 
Chuck Washington
Chairman, Board of Supervisors

By: 
Nabill (Bill) Haddad,
President

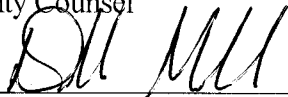
Date: JUN 12 2018

Date: 5/31/2018

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: 
Danielle Maland
Deputy County Counsel

Date: 5/16/18

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN THE COUNTY OF RIVERSIDE AND HEALTH ADVOCATES, LLC**

That certain Professional Service Agreement for Third Party Liability Services approved July 26, 2016, Agenda Item No. 3.44 ("Agreement"), made by and between the COUNTY OF RIVERSIDE ("COUNTY"), a political subdivision of the State of California, on behalf of Riverside University Health System ("RUHS"), and HEALTH ADVOCATES, LLC ("CONTRACTOR"), a California Limited Liability Company, with a first amendment approved August 29, 2017, Agenda Item No. 3.88 ("First Amendment"), is hereby amended as follows:

1. Subsection 2.1 of Section 2. Period of Performance is hereby amended to extend the period of performance as follows:

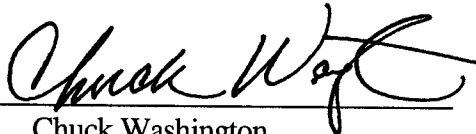
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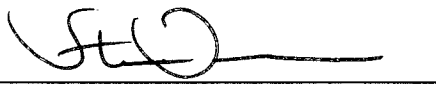
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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Second Amendment.

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

HEALTH ADVOCATES, LLC, a California Limited Liability Company


By: 
Chuck Washington
Chairman, Board of Supervisors

By: 
Steve Levine
CEO


Date: JUN 12 2018

Date: 5/21/18

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: 
Danielle Maland
Deputy County Counsel

Date: 5/16/18