



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**Riverside
University
HEALTH SYSTEM
Medical Center**

ITEM
17.1
(ID # 8011)

MEETING DATE:

Tuesday, October 23, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approval of the Seventh Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services, without seeking competitive bids. All Districts [Total Cost \$1,500,000 - Hospital Enterprise Fund 100%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Seventh Amendment to the Professional Services Agreement with DVA Renal Healthcare, Inc. for Hemodialysis Treatment Services, without seeking competitive bids, to extend the contract term for one year, October 30, 2018 through October 29, 2019, not to exceed \$1,500,000 and authorize the Chairman of the Board to sign the amendment on behalf of the County.

ACTION: Policy


MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: October 23, 2018
xc: RUHS-Medical Center
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Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy
17.1

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,008,929	\$ 491,071	\$1,500,000	\$0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund - 40050			Budget Adjustment: No	
			For Fiscal Year: 18/19-19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

RUHS requests the Board approve an extension to the Professional Services Agreement with DVA Renal Healthcare, Inc. for one year to allow time for the vendor and RUHS to enter into a new agreement and allow additional time for contract negotiations.

RUHS has maintained a standing contract with several subsidiaries of DaVita, Inc., most recently DVA Healthcare, Inc. to provide dialysis services to RUHS patients since 2010. On August 10, 2010 Agenda Item #3.53, the Board approved the multi-year agreement with two of DaVita's subsidiaries, Renal Treatment Centers – California, Inc. and Patient Pathways, LLC to provide acute services and discharge planning services for the hospital.

DVA Renal Healthcare's Treatment Center is located on the RUHS's campus and provides trained staff and equipment for all the chronic and acute inpatient and outpatient dialysis treatments as required by the hospital, providing immediate response time and support for RUHS patients.

Impact on Residents and Businesses

A lapse in the contract could affect the patient and RUHS Medical Center negatively. The patient's condition could become adversely affected and RUHS Medical Center would no longer be able to provide Dialysis treatment to the community. Patients would be forced to go to another facility to receive their dialysis care.

Contract History and Price Reasonableness

On February 9, 2011 the Procurement Contract Specialist approved the First Amendment to the agreement with Renal Treatment Centers California, Inc. and patient Pathways, LLC to correct a drafting error in Exhibit B, Compensation. On July 31, 2012, Agenda Item 3.52, the Board approved the Second Amendment to the agreement with Renal Treatment Centers – California Inc. and Patient Pathways, LLC to increase the maximum compensation amount to \$1,400,000 annually. On August 20, 2013, Agenda Item 3.75, the Board approved the Third Amendment to

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the agreement with Renal Treatment Centers – California Inc. and Patient Pathways, LLC to extend the period of performance for five additional years effective September 1, 2013 through August 30, 2018. The Fourth Amendment executed on July 24, 2014 by a County Procurement Specialist, amended the language in section 3.1 TERM. On July 12, 2016, Agenda Item 3.42, the Board approved the Fifth Amendment to increase funds by \$100,000 from \$1,400,000 to \$1,500,000 annually effective July 26, 2016 through June 30, 2018. In addition, Patient Pathways, LLC, was removed as a party to the agreement. On July 31, 2018 the Board approved the Sixth Amendment to extend the contract term for ninety (90) days, August 1, 2018 through October 29, 2018, to allow time for the vendor and RUHS to negotiate a new agreement, however, more time is needed. The extension granted would allow additional time needed to enter into a new Agreement.

DaVita certifies that the prices offered are the lowest or equal to those offered to customers in San Bernardino or Riverside Counties whose annual treatment volume is comparable to RUHS, and offered to Federal, State or Local Government Contracts.

ATTACHMENTS: SEVENTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH DVA RENAL HEALTHCARE, INC.

**SEVENTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT
WITH
DVA RENAL HEALTHCARE, INC.
(Hemodialysis Treatment Services)**

THIS SEVENTH AMENDMENT (“Seventh Amendment”) is made and entered into by and between the County of Riverside, a political subdivision of the State of California, through its Medical Center, Riverside County Regional Medical Center (“Hospital”) (collectively “**COUNTY**”) and DVA Renal Healthcare, Inc., a subsidiary of DaVita, Inc. (“**CONTRACTOR**”). This Seventh Amendment shall be effective as of the date of final signature below.

WHEREAS, the parties hereto entered into that certain Professional Services Agreement for Acute Services and Discharge Planning Services (“**Agreement**”), approved August 10, 2010, Agenda Item 3.53, as amended by that certain first amendment executed February 9, 2011, second amendment approved July 31, 2012, Agenda Item 3.52, third amendment approved August 20, 2013, Agenda Item 3.75, fourth amendment executed July 24, 2014, and fifth amendment approved July 26, 2016, Agenda Item 3.42, and sixth amendment approved July 31, 2018, Agenda item 3.39, pursuant to which **COUNTY** agreed to engage the services of **CONTRACTOR** to provide acute dialysis services at the Hospital; and,

WHEREAS, the parties wish to amend and modify certain provisions of the Agreement, as specifically provided for below;

NOW THEREFORE, for and in consideration of the premises, the parties do hereby agree as follows:

1. **Term.** Section 3.1, **TERM**, of Section 3.0 **TERM AND TERMINATION**, is hereby amended to extend the term as follows:

“This Seventh Amendment extends the term of the Agreement for one-year (365 days) commencing on October 30, 2018 and continuing through October 29, 2019. Should the parties enter into a new agreement before the termination of the term provided herein, the new agreement shall supersede this Agreement”.
2. **Exhibit F.** Exhibit F, **CONTRACT SERVICES PERFORMANCE**, is hereby made part of the Agreement as attached hereto and incorporated herein by this reference.
4. **Definition.** All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.
5. **Conflict.** In the event the terms of this Seventh Amendment conflict with the terms of the Agreement, the terms of the Agreement shall hold.
6. **Miscellaneous.** In all other respects, the parties do hereby ratify and reaffirm the provisions of the Agreement, which shall continue in full force and effect, except as amended hereby.
7. **Execution of Amendment.** This Seventh Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

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

CONTRACTOR

DVA Renal Healthcare, Inc.

COUNTY

**The County of Riverside, a political
subdivision of the state of California, through its
Riverside County Regional Medical Center**

By: BAS

Brian Stern

Group Vice President

By: Chuck Wolf

Chuck Washington
Chairman, Board of Supervisors

Date: 10/3/18

Date: OCT 23 2018

APPROVED TO FORM:

DaVita Inc.

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By: _____

Thor Paulson
Group General Counsel

By: DM MM

Danielle Maland
Deputy County Counsel

Date: _____

Date: 10/9/18

ATTEST:

KECIA HARPER IHEM, Clerk

By: [Signature]
DEPUTY

EXHIBIT F

CONTRACT SERVICES PERFORMANCE

1. In accordance with Joint Commission requirement LD.04.03.09, EP 4, care, treatment, and services provided through contractual agreements must be provided safely and effectively. Should any of the following goals, measured quarterly, be missed by CONTRACTOR, then CONTRACTOR will provide an action plan as soon as feasible and COUNTY will cooperate and support such action plan as appropriate.
2. Performance expectations by the COUNTY must be established, shared with CONTRACTOR, and monitored.
3. The following performance expectations for CONTRACTOR are as follows:
 - a. Quality of Services:
 1. CONTRACTOR will perform and document Time out/Safety process prior to treatment initiation, with a goal $\geq 95\%$.
 2. CONTRACTOR Staff will document pain assessment prior to treatment initiation, with a goal $\geq 95\%$.
 - b. Responsiveness to COUNTY'S needs:
 1. CONTRACTOR will document reasons for any treatment delays related to vascular access issues, equipment, or staffing shortages and share same on a quarterly basis with COUNTY. The parties will work collaboratively together to reduce or mitigate any delays within their control.
 - c. Cost effectiveness of charges:
 1. CONTRACTOR will use reasonable commercial efforts to ensure that charges are consistent with most current contracted fee schedule, provided that CONTRACTOR will promptly correct any mistakes or omissions in billing after discovery of same.