

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

Riverside  
University  
HEALTH SYSTEM  
Medical Center

ITEM  
15.2  
(ID # 8646)

MEETING DATE:

Tuesday, January 8, 2019

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification of the Third Amendment to the Professional Services Agreement with The Regents of the University of California, University of California, Riverside School of Medicine for Graduate Medical Education Training effective July 1, 2018; 1 year; All Districts; [Total Cost \$1,705,907; up to \$170,590 in additional compensation 100% Hospital Enterprise Fund].

RECOMMENDED MOTION: That the Governing Board:

1. Ratify the Third Amendment to the Professional Services Agreement with The Regents of the University of California, University of California, Riverside School of Medicine for Graduate Medical Education Training in the amount of \$1,705,907 effective July 1, 2018 through June 30, 2019 and authorize the Chairman of the Board to sign the Agreement on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 based on the availability of funding and 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 provisions that do not exceed the sum total of ten percent (10%) annually.

ACTION: Policy

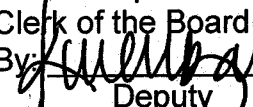
  
Jennifer Cruikshank, Chief Executive Officer - Health System 12/26/2018

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MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: January 8, 2019  
xc: RUHS-Medical Center, Purchasing

Kecia Harper  
Clerk of the Board  
By:   
Deputy

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

| <b>FINANCIAL DATA</b>                                         | <b>Current Fiscal Year:</b> | <b>Next Fiscal Year:</b> | <b>Total Cost:</b>            | <b>Ongoing Cost</b> |
|---------------------------------------------------------------|-----------------------------|--------------------------|-------------------------------|---------------------|
| <b>COST</b>                                                   | \$ 1,705,907                | \$ 0                     | \$ 1,705,907                  | \$ 0                |
| <b>NET COUNTY COST</b>                                        | \$ 0                        | \$ 0                     | \$ 0                          | \$ 0                |
| <b>SOURCE OF FUNDS: 100% - Hospital Enterprise Fund 40050</b> |                             |                          | <b>Budget Adjustment: No</b>  |                     |
|                                                               |                             |                          | <b>For Fiscal Year: 18/19</b> |                     |

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Riverside University Health System-Medical Center (RUHS-MC) is a primary training site for resident physician training programs sponsored by University of California, Riverside School of Medicine (UCR).

The initial arrangements between RUHS-MC and UCR were memorialized in a Master Affiliation Agreement which defined the responsibilities of both parties as they related to the continued administration and sponsorship of the programs as well as the financial responsibility of each party. This Master Affiliation Agreement has been amended twice – in August 24, 2015 pursuant to delegated authority and on January 23, 2018 (item # 3.26) – as academic sponsorship of some of the residency programs moved back from UCR to RUHS-MC and as the need to pay the salaries of certain of those training in the growing psychiatric residency program was recognized. This third Amendment will cover the 2018 – 2019 academic year salaries of certain resident physicians training in Internal Medicine and Psychiatry. It also adds reimbursement for a Psychiatric “fellow” who is training for a 4<sup>th</sup> year post medical school.

**Impact on Residents and Businesses**

This Agreement improves patient care by providing for the training of physicians in specialties that are in critically short supply within the County – Internal Medicine and Psychiatry. Their services, while training, also expand the capacity of RUHS-MC and the County's federally qualified health centers, creating shorter wait times for appointments and providing services that would not otherwise be available.

**Additional Fiscal Information**

Under this Agreement, RUHS-MC desires to continue training rotations for residents from UCR's Internal Medicine and Psychiatry programs. The net cost to RUHS-MC is \$1,705,907 for fiscal year 2018/2019. This amount is included in the budget of the Hospital Enterprise Fund.

**Contract History and Price Reasonableness**

The Master Affiliation Agreement was approved on May 12, 2015 (Agenda Item 3-30) by the Board of Supervisors to be effective July 1, 2014 through June 30, 2015 with four annual

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renewals and a total budgeted amount for the five years of \$24,580,858. Under the initial arrangement the resident physicians in Internal Medicine, Family Medicine and General Surgery rotated for educational and clinical experiences at RUHS-MC and Arlington Campuses as well as at the RUHS-Federally Qualified Health Centers. A First Amendment to the Agreement, effective July 1, 2015 through June 31, 2016 was executed by the RUHS-MC CEO on August 24, 2015 under authority delegated by the County Board of Supervisors.

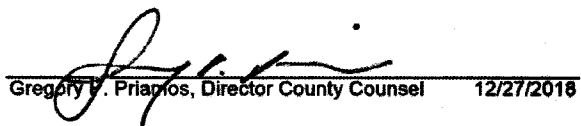
On January 23, 2018, Agenda Item Number 3.26, the Board approved a Second Amendment in which memorialized several changes to the structure of the relationship during fiscal year 2016/2017 and 2017/2018. While the Family Medicine and General Surgery residencies returned from UCR to RUHS-MC to pursue Osteopathic Accreditation for these programs under the Accreditation Council for Graduate Medical Education (ACGME), the Internal Medicine residency program remained under the sponsorship of UCR. The Psychiatry residency program did not receive continued funding from OSHPD and UCR subsequently requested that RUHS-MC pay the salaries and benefits for the residents in that program while rotating at RUHS-MC, therefore the total compensation and expenses paid under the Agreement decreased from a maximum of \$4,980,208 to a maximum of \$1,498,288 in 2017/2018.

This Third Amendment modifies the Master Affiliation Agreement for the fifth and final year effective July 1, 2018 through June 30, 2019 of this Agreement.

**ATTACHMENTS:**

**Attachment A:**      **Third Amendment to the Master Affiliation Agreement between The County of Riverside and The Regents of the University of California for Graduate Medical Education Training**

  
Teresa Summers, Director of Purchasing      12/26/2018

  
Gregory V. Priamos, Director County Counsel      12/27/2018

**THIRD AMENDMENT  
TO THE  
MASTER AFFILIATION AGREEMENT  
BETWEEN  
THE COUNTY OF RIVERSIDE  
AND  
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
FOR GRADUATE MEDICAL EDUCATION TRAINING**

That certain Agreement between County of Riverside (COUNTY), a political subdivision of the State of California and The Regents of the University of California (SCHOOL), collectively referred to as "the Parties," entered into on May 12, 2015 as Agenda item 3-30 effective as of July 1, 2014 (Agreement), is hereby amended effective July 1, 2018, as follows:

1. Delete Exhibit A-2 in its entirety and replace with Exhibit A-3 "Compensation for Resident Physician Salaries and Benefits and Resident Assignment" attached hereto.

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

The Parties have executed this Amendment as set forth below:

**THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA**

By: \_\_\_\_\_

Deborah Deas, MD, MPD  
Dean, School of Medicine  
UC Riverside

Date: \_\_\_\_\_

12/6/2018

**COUNTY OF RIVERSIDE**

By: \_\_\_\_\_

~~Chuck Washington~~  
Chair, Board of Supervisors

KEVIN JEFFRIES

Date: JAN 08 2019

**ATTEST:**

Kecia Harper ~~them~~, Clerk

By: \_\_\_\_\_

Deputy

**APPROVED AS TO FORM:**

Gregory Priamos  
County Counsel

By: \_\_\_\_\_

Deputy

### EXHIBIT A-3

#### Compensation for Resident Physician Salaries and Benefits And Resident Assignment

Both parties agree that the compensation rates, annual full-time equivalent (FTE) counts, annual compensation and terms reflected in this exhibit are effective July 1, 2018.

RUHS shall reimburse the SCHOOL for the salary and benefits of RESIDENTS covered by this Agreement. RUHS agrees to pay invoices in full within 30 days of receipt of a monthly invoice which includes a resident report that has been reconciled and agreed upon by the Parties. The resident report will include, at a minimum, the following information: Resident Full Name, Program Name and Year of Enrollment, PGY Level, Name of service on which RESIDENT was rotating, start and end dates for each resident for whom SCHOOL is requesting reimbursement.

Both Parties agree that should either receive grant funds or other financial support for the salary and benefits outlined in this exhibit during the term of this exhibit, those funds will be utilized to compensate SCHOOL.

Reimbursement for RESIDENTS will be made for rotations that occur at COUNTY's facilities at the following rates:

| BASE SALARY |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
|             | PGY-1       | PGY-2       | PGY-3       | PGY-4       |
|             | \$57,233.00 | \$59,130.00 | \$61,453.00 | \$63,879.00 |

| BENEFITS               |                    |                    |                    |                    |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| FICA                   | \$4,378.32         | \$4,523.45         | \$4,701.15         | \$4,886.74         |
| Unemployment           | \$57.00            | \$59.00            | \$61.00            | \$64.00            |
| Workers Comp           | \$710.00           | \$733.00           | \$762.00           | \$792.00           |
| Employee Practice      | \$205.29           | \$212.10           | \$220.43           | \$229.13           |
| General Liability      | \$317.36           | \$327.88           | \$340.76           | \$354.21           |
| Life, AD&D, Disability | \$122.57           | \$122.57           | \$122.57           | \$122.57           |
| Medical                | \$12,917.55        | \$12,917.55        | \$12,917.55        | \$12,917.55        |
| Dental                 | \$1,315.31         | \$1,315.31         | \$1,315.31         | \$1,315.31         |
| Vision                 | \$213.21           | \$213.21           | \$213.21           | \$213.21           |
| <b>Total Benefits</b>  | <b>\$20,236.61</b> | <b>\$20,424.07</b> | <b>\$20,653.98</b> | <b>\$20,894.72</b> |

|                                    |                    |                    |                    |                    |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Salary &amp; Benefits Total</b> | <b>\$77,469.61</b> | <b>\$79,554.07</b> | <b>\$82,106.98</b> | <b>\$84,773.72</b> |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|

| RATES          |                    |                    |                    |                    |
|----------------|--------------------|--------------------|--------------------|--------------------|
|                | PGY-1              | PGY-2              | PGY-3              | PGY-4              |
| <b>Yearly</b>  | <b>\$77,469.61</b> | <b>\$79,554.07</b> | <b>\$82,106.98</b> | <b>\$84,773.72</b> |
| <b>Monthly</b> | <b>\$6,455.80</b>  | <b>\$6,629.51</b>  | <b>\$6,842.25</b>  | <b>\$7,064.48</b>  |
| <b>Daily</b>   | <b>\$212.25</b>    | <b>\$217.96</b>    | <b>\$224.95</b>    | <b>\$232.26</b>    |

### EXHIBIT A-3

#### Compensation for Resident Physician Salaries and Benefits And Resident Assignment

RUHS's reimbursement for SCHOOL'S RESIDENTS' salary and benefits will not exceed the maximum annual FTE (full-time equivalent) counts listed below for each Program.

| Resident Program                                      | Program Year | PGY | Maximum Annual FTE count | Total Cost     |
|-------------------------------------------------------|--------------|-----|--------------------------|----------------|
| Internal Medicine                                     | 1            | 1   | 4                        | \$309,878.44   |
| Internal Medicine                                     | 2            | 2   | 4                        | \$318,216.28   |
| Internal Medicine                                     | 3            | 3   | 4                        | \$328,427.92   |
| Psychiatry                                            | 1            | 1   | 6                        | \$464,817.66   |
| Psychiatry                                            | 2            | 2   | 2                        | \$159,108.14   |
| Psychiatry / Fellows                                  | 1            | 4   | 1.1                      | \$93,251.09    |
| ANNUAL SALARIES / BENEFITS COMPENSATION NOT TO EXCEED |              |     |                          | \$1,673,699.53 |

Both parties agree that SCHOOL may, upon approval of RUHS, send additional RESIDENTS other than those listed above to RUHS's facilities. However, reimbursement for salary and benefits will not exceed the annual amount listed in this Exhibit.

#### Compensation for GME Direct Expenses

| SALARY EXPENSES                       | FTE  | Salaries & Benefits |
|---------------------------------------|------|---------------------|
| Administrative and Support Staff      |      |                     |
| GME Coordinator - - Internal Medicine | 0.33 | \$32,207.00         |
| TOTAL FOR DIRECT EXPENSES             |      | \$32,207.00         |

SCHOOL will invoice RUHS for one-twelfth of the total GME Direct Expenses on a monthly basis. Compensation will be provided by RUHS to SCHOOL within 30 days of receipt of an invoice.