



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



**ITEM: 15.1  
(ID # 9691)**

**MEETING DATE:  
Tuesday, May 21, 2019**

**FROM :** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Approval of the Second Amendment to the Professional Service Agreement with AE & Associates, LLC for Coding and Auditing Services in the Health Information Management Department, District 5. [\$150,000 - Total Cost; up to \$15,000 in additional compensation - Hospital Enterprise Fund 100%].

**RECOMMENDED MOTION:** That the Governing Board:

1. Approve the Second Amendment to the Professional Service Agreement with AE & Associates, LLC for Coding and Auditing Services in the Health Information Management Department to extend the period of performance for twelve (12) months, effective July 1, 2019 through June 30, 2020, and increase the maximum compensation amount by \$150,000, for a total maximum compensation amount not to exceed \$359,000; authorize the Chairman of the Board to sign the amendment on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and 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**

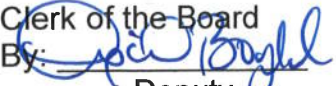
  
 Jennifer Cruikshank, Chief Executive Officer - Health System 5/2/2019

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**MINUTES OF THE GOVERNING BOARD**

On motion of Supervisor Perez, seconded by Supervisor Jeffries 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:** May 21, 2019  
**xc:** RUHS-Medical Center

**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>	\$ 0	\$ 150,000	\$ 150,000	\$ 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: 19/20</b>	

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

**BACKGROUND:**

**Summary**

The requested Board action extends the existing Agreement with AE & Associates, LLC as the coding services continue to be needed for fiscal year 2019-2020 in the Health Information Management (HIM) department. The hospital is required to have credentialed professional coders to abstract/code the hospital's account for revenue cycle before billing. Coding is needed for regulatory requirements and submissions to the Office of Statewide Health Planning Department (OSHPD). If the hospital does not obtain coding services, the hospital will incur a \$100 fine per day, for every day late on the OSHPD submission.

AE & Associates, LLC has been in business for over 18 years. The President of AE & Associates, LLC is a trained physician with multiple certifications in coding. AE & Associates, LLC employs experienced staff that hold credentials in medical coding and clinical training. The staff possess credentials such as Certified Coding Specialist (CCS), Certified Professional Coder (CPC), Registered Health Information Administrator (RHIA), and Registered Health Information Technician (RHIT).

AE & Associates, LLC has been working with RUHS-Medical Center to provide services during the coding vacancies. AE & Associates, LLC staff have been trained and are knowledgeable in the RUHS hospital system and are available to continue assignment immediately. Additionally, AE & Associates, LLC exceeds productivity standards of three (3) inpatient charts coded per hour. AE & Associates, LLC meets national coders' performance standards by performing at a 95% accuracy rate. While RUHS-MC continues to recruit and fill these required positions, the temporary need for coding services is essential.

**Additional Fiscal Information**

The table below illustrates the total contract amount allocated per fiscal year.

FY2017/2018	FY2018/2019	FY2019/2020	TOTAL
\$51,333	\$157,667	\$150,000	\$359,000

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SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

This Second Amendment allocates \$150,000, including all expenses, for the period of July 1, 2019 through June 30, 2020 for an aggregate maximum contract amount of \$359,000.

**Contract History and Price Reasonableness**

On March 13, 2018, Agenda Item #3.14, the Board approved the Professional Services Agreement with AE & Associates, LLC for consultation services – coding and auditing services for a total amount of \$88,000 for the period February 26, 2018 through August 31, 2018. Then, on July 31, 2018, Agenda Item #3.38, the Board approved the First Amendment which extended the services effective September 1, 2018 through June 30, 2019 for a total maximum compensation amount of \$209,000. The HIM department yields positive results utilizing this vendor especially through their assistance during the EPIC implementation.

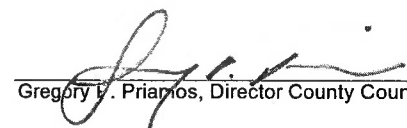
AE & Associates, LLC does not require housing reimbursement, in comparison to other vendors as they have local staff that are already trained and available. AE & Associates, LLC hourly rate remains at an industry standard hourly rate of \$75.00.

**ATTACHMENTS:**

**Attachment A: SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR CONSULTATION SERVICES – CODING AND AUDITING SERVICES – HIM DEPARTMENT BETWEEN THE COUNTY OF RIVERSIDE AND AE & ASSOCIATES, LLC**

  
Teresa Summers, Director of Purchasing 5/2/2019

  
Brianna Lontajo, Management Analyst 5/14/2019

  
Gregory V. Priamos, Director County Counsel 5/5/2019

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR  
CONSULTATION SERVICES – CODING AND AUDITING SERVICES – HIM DEPARTMENT  
BETWEEN THE COUNTY OF RIVERSIDE AND AE & ASSOCIATES, LLC**

That certain Professional Service Agreement for Consultation Services – Coding and Auditing Services – HIM Department, approved March 13, 2018, Agenda Item No. 3.14, and effective February 26, 2018, (“Agreement”) made and entered into 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 AE & ASSOCIATES, LLC (“CONTRACTOR”), a California limited liability company, with a first amendment approved July 31, 2018, Agenda Item No. 3.38, and effective July 1, 2018, is hereby amended as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance is hereby amended to extend the period of performance for twelve (12) months commencing on July 1, 2019 and continuing in effect through June 30, 2020 as follows:

“This Agreement shall be effective February 26, 2018 and continues in effect through June 30, 2020 unless terminated earlier.”

2. **Compensation.** The second sentence of Subsection 3.1 of Section 3. Compensation is hereby amended to increase the maximum compensation amount by \$150,000, from \$209,000 to \$359,000, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed three hundred and fifty-nine thousand dollars (\$359,000), including all expenses.”

3. **Exhibit B.** Section 4.0 of Exhibit B, PAYMENT PROVISIONS, is hereby amended to increase the maximum compensation amount by \$150,000, from \$209,000 to \$359,000, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed three hundred and fifty-nine thousand dollars (\$359,000), including all expenses, for the period of performance as follows:


<u>Period of Performance</u>	<u>Maximum Compensation Amount</u>
February 26, 2018 – August 31, 2018	\$88,000
September 1, 2018 – June 30, 2019	\$121,000
July 1, 2019 – June 30, 2020	\$150,000”

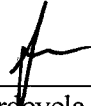
4. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
5. **Effective Date.** This Second Amendment to the Agreement shall become effective upon signature of both parties, or July 1, 2019, whichever should come first.

**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

**AE & ASSOCIATES, LLC**, a California limited liability company

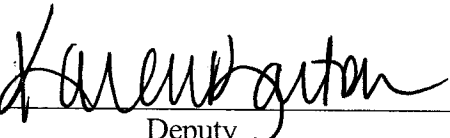
By:   
 Kevin Jeffries  
 Chairman, Board of Supervisors

By:   
 Arnold T. Ardevela  
 Manager

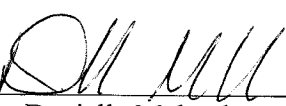
Date:           MAY 21 2019          

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

**ATTEST:**  
 Kecia R. Harper  
 Clerk of the Board

By:   
 Deputy

**APPROVED AS TO FORM:**  
 Gregory P. Priamos  
 County Counsel

By:   
 Danielle Maland  
 Deputy County Counsel

Date:           5/1/19