

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

Riverside University HEALTH SYSTEM Medical Cent

ITEM 15.1 (ID # 9812)

MEETING DATE:
Tuesday, July 2, 2019

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM (RUHS) – MEDICAL CENTER: Ratify and approve the Third Amendments to the Professional Service Agreements with Comspec, Inc. and Health Advocates, LLC for Third Party Liability Services, without seeking competitive bids, to extend the period of performance for one year, All Districts. [Total Cost \$500,000; up to \$50,000 in additional compensation. \$500,000 annually. 100% of Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Third Amendment to the Professional Services Agreement with Comspec, Inc. for Third Party Liability Services, to extend the contract term for twelve (12) months, July 1, 2019 through June 30, 2020, not to exceed an annual amount of \$200,000 and authorize the Chairman of the Board to sign the amendment on behalf of the County.
2. Ratify and approve the Third Amendment to the Professional Services Agreement with Health Advocates, LLC for Third Party Liability Services, to extend the contract term for twelve (12) months, July 1, 2019 through June 30, 2020, not to exceed an annual amount of \$300,000 and authorize the Chairman of the Board to sign the amendment on behalf of the County.
3. 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 agreements, and to sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) annually.

ACTION:Policy

Jennifer Cruikshank
Jennifer Cruikshank, Chief Executive Officer - Health System 8/17/2019

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Perez and Hewitt
Nays: None
Absent: Spiegel and Washington
Date: July 2, 2019
xc: RUHS-Medical Center, Purchasing

Kecia Harper
Clerk of the Board
By: *Kecia Harper*
Deputy

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

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

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action will ratify and approve the third amendments for Health Advocates, LLC and Compspec, Inc., to allow the third-party liability vendors to bill and collect for past services rendered for twelve (12) additional months, July 1, 2019 through June 30, 2020. The third-party liability vendors aid healthcare facilities and hospitals in recovering monies owed by appealing denied cases. Compspec, Inc. and Health Advocates, LLC assist 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 enable 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 Professional Service Agreements for Third Party Liability Services with Compspec, Inc. and Health Advocates, LLP for two years, July 1, 2015 through June 30, 2017, in a combined amount not to exceed

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\$700,000 annually. 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 to the Professional Service Agreements with Compspec, Inc. and Health Advocates LLC to extend the period of performance for twelve (12) months, July 1, 2017 to June 30, 2018, in a combined amount not to exceed \$500,000 annually. On June 12, 2018 (Agenda Item No. 3.29), the Board Approved the Second Amendments to the Professional Service Agreements with Compspec, Inc. and Health Advocates, LLC to extend the period of performance for twelve (12) months, July 1, 2018 to June 30, 2019, in an amount not to exceed \$500,000 annually. These are contingency rate-based contracts. The rates are not subject to change.

The one year amendment with Health Advocates and Compspec will amend the agreement effective July 1, 2019 to allow an additional fiscal year for RUHS to finalize a formal Request for Proposal (RFP).

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

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

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Teresa Summers, Director of Purchasing 6/20/2019


Teresa Summers, Director of Purchasing 6/20/2019


Brianna Lantajo, Management Analyst 6/24/2019


Gregory V. Priamos, Director County Counsel 6/20/2019

**THIRD AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN 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 and effective July 1, 2015 (“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 COMPSPEC, INC. (“CONTRACTOR”), a California corporation, with a first amendment approved August 29, 2017, Agenda Item No. 3.88 (“First Amendment”), and a second amendment approved June 12, 2018, Agenda Item No. 3.29 (“Second Amendment”), 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 months (12) months commencing on July 1, 2019 and continuing through June 30, 2020 as follows:

“This Agreement shall be effective July 1, 2015 through June 30, 2020, unless terminated earlier.”
2. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
3. **Effective Date.** This Third Amendment to the Agreement shall become effective upon signature of both parties or July 1, 2019, whichever should come first.

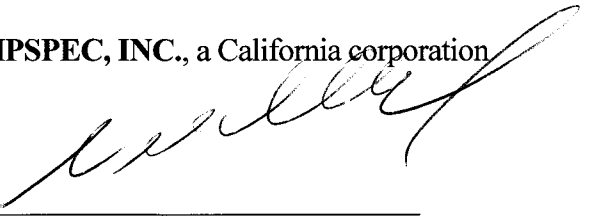
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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Third Amendment.

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

COMPSPEC, INC., a California corporation

By: 
Kevin Jeffries
Chairman, Board of Supervisors

By: 
Nabill (Bill) Haddad,
President

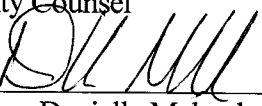
Date: JUL 02 2019

Date: 5/21/2019

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: 6/13/19

**THIRD AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN 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 and effective July 1, 2015 (“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 HEALTH ADVOCATES, LLC (“CONTRACTOR”), a California limited liability company, with a first amendment approved August 29, 2017, Agenda Item No. 3.88 (“First Amendment”), and a second amendment approved June 12, 2018, Agenda Item No. 3.29 (“Second Amendment”), 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 months (12) months commencing on July 1, 2019 and continuing through June 30, 2020 as follows:


“This Agreement shall be effective July 1, 2015 through June 30, 2020, unless terminated earlier.”
2. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
3. **Effective Date.** This Third Amendment to the Agreement shall become effective upon signature of both parties or July 1, 2019, whichever should come first.


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

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

HEALTH ADVOCATES, LLC, a California limited liability company

By: 
Kevin Jeffries
Chairman, Board of Supervisors

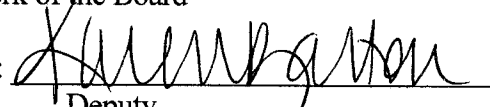
By: 
Steve Levine
CEO

Date: JUL 02 2019

Date: 5/30/19

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: 6/13/19