



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

**Riverside University
HEALTH SYSTEM
Medical Center**

**ITEM
15.1
(ID # 10159)**

MEETING DATE:
Tuesday, July 23, 2019

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratify and Approve the Third Amendment to the Professional Service Agreement with AE & Associates, LLC for Coding and Auditing Services in the Health Information Management (HIM) Department, without seeking competitive bids for one year, All Districts. [Total Cost \$480,000; up to \$63,000 in additional compensation. \$630,000 annually; 100% Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

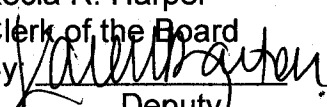
1. Ratify and approve the Third Amendment to the Professional Services Agreement with AE & Associates, LLC for Coding and Auditing Services in the HIM Department to expand the scope of services to the RUHS based-clinics and Community Health Care Centers and increase the maximum compensation amount for FY 19/20 by \$480,000 from \$150,000 to \$630,000, for an aggregate maximum contract amount of \$839,000; authorize the Chairman of the Board to sign the amendment on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of fiscal funding and as approved by County Counsel, to sign amendments that exercise the options of the agreement including modifications of the statement of work that stay within the intent of the agreement, and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total annual cost of the agreement.

ACTION:Policy

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Jeffries, seconded by Supervisor Perez 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: July 23, 2019
xc: RUHS

Kecia R. 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**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$480,000	\$0	\$480,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$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 expands the Scope of Services to include clinical documentation and auditing and coding of an estimated 600 provider encounters to the Hospital Based Clinics and Community Health Centers. AE & Associates, LLC will identify opportunities to improve clinical documentation that will enhance revenue and compliance. AE & Associates, LLC will assist with the customization of education and tools for coders and providers to enhance current risk adjustment processes. The enhanced risk adjustment processes will assist in identifying errors and opportunities for improvement as well as improving the accuracy of current risk scores.

AE & Associates, LLC has been working with RUHS-Medical Center for the past year to provide services during coding vacancies. This vendor has been successful in maintaining the coding accuracy and timeliness to meet the discharge not final bill requirements. AE & Associates, LLC has been in business for over 18 years and employs experienced staff that hold credentials in medical coding and clinical training.

While RUHS Medical Center continues to recruit and fulfill vacant positions, the temporary need for AE & Associates, LLC's experienced and skilled staff is essential to the vitality of the hospital. If the hospital does not obtain coding services, the hospital will incur a \$100 fine per day for every day late on OSHPD submission.

County Counsel has reviewed the Third Amendment and approved as to form.

Impact on Residents and Businesses

The services provided by AE & Associates, LLC assist in opportunities of increased revenue for the hospital. Increased revenue will allow RUHS Hospital to expand services to the residents for increased access of care.

Additional Fiscal Information

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

FY2017/2018	FY2018/2019	FY2019/2020	TOTAL
\$51,333	\$157,667	\$630,000	\$839,000

On March 13, 2018, Agenda Item #3.14, the Board approved the Professional Services Agreement with AE & Associates, LLC for coding and auditing services for a total amount of \$88,000 for the period February 26, 2018 through August 31, 2018. The approved \$88,000 was appropriated as follows: \$51,333 was allocated during fiscal year 17/18 with the remaining \$36,667 allocated for fiscal year 18/19. 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 and increased the contract amount by \$121,000 for a total maximum contract amount of \$209,000. On May 21, 2019, Agenda Item # 15.1, the Board approved the Second Amendment which extended the services effective July 1, 2019 through June 30, 2020 and increased the contract amount by \$150,000 for a total maximum contract amount of \$359,000. The Third Amendment will add an additional \$480,000 including all expenses, in the current fiscal year of 2019/2020 for an aggregate maximum contract amount of \$839,000.

Contract History and Price Reasonableness

A department price comparison was conducted at the origination of the contract for Compliance Patient Coding services on three vendors to determine price reasonableness; Caban Resources, Health Care Cost Solutions, Inc. and AE & Associates, LLC:

- AE & Associates: \$75.00 Per Hour
- Caban Resources, LLC - \$68.00 Per Hour
- Health Care Cost Solutions: \$80.00 Per Hour

AE & Associates, LLC was a prudent choice overall and chosen to provide coding patient services to RUHS due to the vendor's vast expertise, high productivity per hour standards (3 charts per hour), multi-credentialed robust staff, accessibility and overall cost savings. AE & Associates, LLC employs local staff; thus, RUHS will not incur additional expenses for travel time, in comparison to other vendors such as Caban Resources that require supplementary costs for travel time.

Currently, AE & Associates, LLC per hour rate remains consistent at \$75.00 per hour with no increases. RUHS will continue to require their services until the Human Resources Department is able to secure qualified and certified candidates to fulfill vacancies.

ATTACHMENT:

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

Third Amendment to Professional Service Agreement for Consultation Services.


Brianna Lentajo, Management Analyst 7/16/2019

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

This Third Amendment to the Professional Service Agreement for Consultation Services - Coding and Auditing Services – HIM Department (herein referred to as “Third Amendment”) is made and entered into by and between the County of Riverside (herein referred to as “COUNTY”), a political subdivision of the State of California, on behalf of Riverside University Health System (herein referred to as “RUHS”), and AE & ASSOCIATES, LLC, a California limited liability company, (herein referred to as “CONTRACTOR”), sometimes collectively referred to as the “Parties” or individually referred to as “Party.”

WHEREAS, COUNTY and CONTRACTOR entered into 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, (herein referred to as “Agreement”); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment approved July 31, 2018, Agenda Item No. 3.38, and effective July 1, 2018 to extend the period of performance and increase the maximum compensation amount (herein referred to as “First Amendment”); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment approved May 21, 2019, Agenda Item No. 15.1, and effective May 21, 2019 to extend the period of performance and increase the maximum compensation amount (herein referred to as “Second Amendment”); and

WHEREAS, the Parties now desire to amend the Agreement to increase the maximum compensation amount and add new services;

NOW THEREFORE, the Parties agree as follows:

1. **Compensation.** The second sentence of Subsection 3.1 of Section 3. Compensation is hereby amended to increase the maximum compensation amount by \$480,000, from \$359,000 to \$839,000, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed eight hundred and thirty-nine thousand dollars (\$839,000), including all expenses.”

2. **Exhibit A-1.** EXHIBIT A-1, SCOPE OF SERVICE, is hereby added to the Agreement as attached hereto and incorporated herein. All references in the Agreement to Exhibit A shall also include reference to Exhibit A-1.

3. **Exhibit B.** Section 4.0 of Exhibit B, PAYMENT PROVISIONS, is hereby amended to increase the maximum compensation amount by \$480,000, from \$359,000 to \$839,000, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed eight hundred and thirty-nine thousand dollars (\$839,000), 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	\$630,000”

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 Third Amendment to the Agreement shall become effective June 1, 2019.


[Intentionally Left Blank; Signature Page Follows]

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

AE & ASSOCIATES, LLC, a California
limited liability company

By: 
Kevin Jeffries
Chairman, Board of Supervisors

By: 
Arnold T. Ardevela
Manager

Date: 7/23/19

Date: 6/13/19

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: 7/1/19

SCOPE OF SERVICE
AE & ASSOCIATES, LLC

1.0 CONTRACTOR shall assign consultant auditors experienced and certified by AHIMA or AAPC to conduct coding audits on RUHS Hospital-Based Clinics and Community Health Center Clinics. CONTRACTOR shall access RUHS's Electronic Medical Records System, known as EPIC, remotely. Audits shall be conducted using the 1997 Evaluation and Management Guideline.

A. Specific data audited below will be based on a patient's medical record accessed from the electronic health record, EPIC:

- Service Level Evaluation and Management (E/M) (Professional)
- ICD-10 diagnosis coding
- Provider documentation as integral to the coding review
- CPT procedure coding and modifiers.
- In-office ancillary services, including but not limited to, administration of a vaccine, x ray study, etc. ("Incident to").

B. Volume of Medical records:

- 20 – 30 encounters per provider for approximately 600 providers involving 11 FQHCs and 40 hospital-based clinics. Approximate total is 18,000 encounters.

2.0 **Deliverables.** CONTRACTOR shall provide the following deliverables for each audit:

- A. Executive Summary: provide a summary report upon completion of audits that will include issues, trends, and areas requiring action or follow-up found in the review;
- B. Audit Results Report: provide an account-level detailed report upon completion of audits for providers and managers listing individual account audit findings and accuracy per provider;
- C. Management Debrief: provide ongoing management debriefings including a summary conference call or web meeting with COUNTY leadership to discuss the findings and recommendations for improved quality and accuracy of coding assignments;
- D. Assessment of CMS Compliance: include a written report of findings identifying areas of noncompliance; and
- E. Validation of compliant reimbursement to be provided in a written report.