

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

**Riverside  
University  
HEALTH SYSTI  
Medical Cent** ITEM  
15.2  
(ID # 10200)

**MEETING DATE:**  
Tuesday, July 23, 2019

**FROM:** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the First Amendment to the Professional Service Agreement with Essential Consulting, LLC for Budget and Reimbursement Consulting Services for one additional year with the option to renew for two additional one-year periods, District 5. [Total Cost \$410,000; Annual Cost \$120,000; up to \$12,000 in additional compensation – 100% Hospital Enterprise Fund]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and approve the First Amendment to the Professional Service Agreement with Essential Consulting, LLC for Budget and Reimbursement Consulting Services to extend the period of performance for one additional year through June 30, 2020 with the option to renew for two additional one-year periods through June 30, 2022, increase the annual not to exceed amount by \$70,000, from \$50,000 annually to \$120,000 annually, and 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, based on the availability of 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 to 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**

*Jennifer Crutcher*  
Jennifer Crutcher, Director of Health System 7/8/2019

**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: *[Signature]*  
Deputy

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<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>	\$120,000	\$120,000	\$410,000	\$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: 19/20-21/22</b>	

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

**BACKGROUND:**

**Summary**

The requested Board action extends the existing Agreement with Essential Consulting, LLC while adding additional funding to cover the contract period for Fiscal Year 2019-2020.

Essential Consulting, LLC is a healthcare consulting and information technology solutions company. They have over 20 years of experience in reimbursement services guiding private and public hospitals. There are very few consultants that have specific experience in public hospital reporting and subsequent cost reimbursements where Essential Consulting is able to offer a full range of reimbursement services. They have the tools designed to assist their clients manage reimbursement issues such as Medicare Disproportionate Share Payments (DSH), Medicare Indirect Medical Education (IME) / Graduate Medical Education (GME), and Cost Report preparation. Essential Consulting, LLC will also provide consulting services on various reports which may include, but are not limited to, the following:

- Office of Statewide Health Planning and Development (OSHPD) Quarterly Reports;
- Case Mix Index;
- Senate Bill (SB) and Assembly Bill (AB) Claim Reports;
- TRICARE Capital and Graduate Medical Education (GME) Cost Reimbursement Cost Report;
- Medicare Disproportionate Share Payments (DSH);
- Wage Index and Occupational Mix Reviews;
- Medi-Cal Supplemental Fund Reports, including Waiver Reports (P14);
- Medicare and Medi-Cal Audit Support;
- Various surveys requested or required due to other organizations and agencies; and
- Any other projects as identified by RUHS-Medical Center

In March 2019, RUHS-MC faced a vacancy in a critical role (Budget Reimbursement Officer). Continuity in this role is crucial to the hospital's timely response to various required scheduled reports due to the state and health plans to ensure that RUHS-MC attains and improves its financial position. RUHS continues to work with County Human Resources

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(HR) to assist with filling the vacant position. RUHS plans to utilize Essential Consulting, LLC as a stopgap until RUHS, with the assistance of County Human Resources, successfully fills this critical and needed position.

**Impact on Citizens and Businesses**

The proper function of the fiscal services supporting the hospital and clinics are essential to its operations.

**Additional Fiscal Information**

The table below illustrates the budget amount for each respective fiscal year.

FY2018/2019	FY2019/2020	FY2020/2021 (if renewed)	FY2021/2022 (if renewed)	Total Aggregate Amount
\$50,000	\$120,000	\$120,000	\$120,000	\$410,000

This First Amendment increases the compensation amount to \$120,000 annually, including all expenses.


**Contract History and Price Reasonableness**

On March 27, 2019, the Purchasing Agent executed the Agreement with Essential Consulting, LLC to provide budget and reimbursement consulting services not to exceed \$50,000, approved via single source by Central Purchasing, approval #19-123. The cost for Essential Consulting, LLC will remain at the same rate of \$150.00 per hour, and below market standards as it relates to consulting services. This hourly rate is within the range of expert-level consultant work by others with similar background, license and experience.

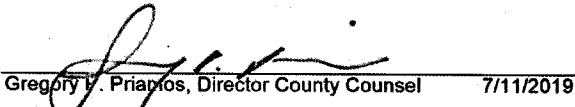
**ATTACHMENTS:**

**Attachment A: FIRST AMENDMENT TO THE PROFESSIONAL SERVICE  
AGREEMENT FOR BUDGET REIMBURSEMENT CONSULTING  
SERVICES BETWEEN THE COUNTY OF RIVERSIDE AND  
ESSENTIAL CONSULTING, LLC**

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Teresa Summers, Director of Purchasing 7/10/2019

  
Brianna Lontajo, Management Analyst 7/16/2019

  
Gregory V. Priamos, Director County Counsel 7/11/2019

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR  
BUDGET AND REIMBURSEMENT CONSULTING SERVICES  
BETWEEN COUNTY OF RIVERSIDE AND ESSENTIAL CONSULTING, LLC**

This First Amendment to the Professional Service Agreement for Budget and Reimbursement Consulting Services (herein referred to as "First Amendment") is made and entered into by and between the **County of Riverside**, a political subdivision of the State of California (herein referred to as "COUNTY"), on behalf of **Riverside University Health System** (herein referred to as "RUHS"), and **Essential Consulting, LLC**, a California limited liability company (herein referred to as "CONTRACTOR"), sometimes collectively referred to as the "Parties" or individually referred to as a "Party."

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Budget and Reimbursement Consulting Services, executed March 27, 2019 and effective March 21, 2019, (herein referred to as "Agreement"); and

WHEREAS, the Parties now desire to amend the Agreement to extend the period of performance and increase the annual not to exceed amount;

NOW THEREFORE, the Parties agree as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance is hereby amended to exercise the option to renew and extend the period of performance for one (1) additional year commencing on July 1, 2019 and continuing through June 30, 2020, with option to renew for two (2) additional years, as follows:

"This Agreement shall be effective March 21, 2019 or upon signature of this Agreement by both Parties, whichever should come first, and continues in effect through June 30, 2020, with the option to renew for two (2) additional years through June 30, 2022 by a written amendment signed by the authorized representatives of both Parties, unless terminated earlier."

2. **Compensation.** The second sentence of Subsection 3.1 of Section 3. Compensation is hereby amended to increase the annual not to exceed amount by seventy thousand dollars (\$70,000), from fifty thousand dollars (\$50,000) annually to one hundred twenty thousand dollars (\$120,000) annually, as follows:

"Maximum payments by COUNTY to CONTRACTOR shall not exceed one hundred twenty thousand dollars (\$120,000) annually, including all expenses."

3. **Exhibit B.** Section 5.0 of Exhibit B, PAYMENT PROVISION, is hereby amended to increase the annual not to exceed amount by seventy thousand dollars (\$70,000), from fifty thousand dollars (\$50,000) annually to one hundred twenty thousand dollars (\$120,000) annually, as follows:


"Maximum payments by COUNTY to CONTRACTOR shall not exceed one hundred twenty thousand dollars (\$120,000) annually, including all expenses."

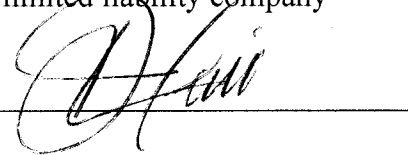
4. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
5. **Effective Date.** This First Amendment to the Agreement shall become effective July 1, 2019.

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

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

ESSENTIAL CONSULTING, LLC, a California limited liability company

By: 

By: 

Name: Kevin Jeffries

Name: Jeffrey C. Wolf

Title: Chairman, Board of Supervisors

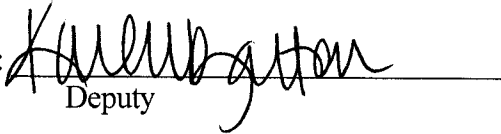
Title: Manager

Date: JUL 28 2019

Date: 6/13/2019

**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

Dated: 6/27/19