



**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 # 10756)**

MEETING DATE:
Tuesday, September 10, 2019

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and approval of the Second Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to Provide General Surgery Physician Services effective July 1, 2019; All Districts. [Total Cost \$25,827,171; Annual Cost \$5,827,082; up to \$582,708 in additional compensation – 100% Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Second Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine (LLUSM) to provide General Surgery Physician Services effective July 1, 2019, and decrease the annual contract by \$328,606 from \$6,155,668 to \$5,827,082 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 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 Crankshank
Jennifer Crankshank, Executive Officer - Health System 9/9/2019

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Perez and Hewitt
Nays: None
Absent: Washington
Date: September 10, 2019
xc: RUHS

Kecia R. Harper
Clerk of the Board
By: *[Signature]*
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$5,827,082	\$5,827,082	\$25,827,171	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% - Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 19/20-21/22	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action will approve a Second Amendment which extends the term of the Agreement while expanding the scope of work for General Surgery Physician Services. The Agreement continues to maintain Administrative obligations for the specialty service and continues proctoring and review on a regular basis for the clinical education of residents and all health care professionals working in general surgery services.

Impact on Citizens and Businesses

This Agreement improves patient care by increasing service providers and by fulfilling a key prerequisite for obtaining Level 1 trauma center status.

SUPPLEMENTAL:

Additional Fiscal Information

This Second Amendment modifies the initial annual amount previously approved by the Board of Supervisors on January 23, 2018; Agenda Item #3.25 from \$6,155,668 to \$5,827,082 annually effective July 1, 2019. The table below illustrates the budgeted amounts per fiscal year since commencement of the contract Agreement.

	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	TOTAL
Master Agreement approved by BOS 01/23/2018; #3.25	\$2,712,244	\$5,633,681	\$6,155,668	\$6,155,668	\$6,155,668	\$26,812,929
2nd Amendment	\$2,712,244	\$5,633,681	\$5,827,082	\$5,827,082	\$5,827,082	\$25,827,171

Contract History and Price Reasonableness

On January 23, 2019, Agenda Item #3.25, the Board approved a Professional Services Agreement with Faculty Physicians and Surgeons of LLUSM dba Loma Linda University Faculty Medical Group effective January 1, 2018 for five years not to exceed the annual amount of \$6,155,688. On September 21, 2018, under the Purchasing Agent's authority, RUHS exercised its renewal option of a First Amendment to the Professional Services Agreement extending the

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agreement effective July 1, 2018 through June 30, 2019 and included new performance requirements to the Agreement.

This Second Amendment to the Professional Services Agreement will continue the services through June 30, 2020, with the option to renew for two (2) additional one-year periods. Additionally, the agreement will supplement staffing to allow for general surgery to cover trauma services. It will include:

- Additional trauma / critical care fellowship trained surgeons
- A part-time Trauma Director
- A second Attending Surgeon rounding on Non-ICU Patients during weekends/holidays
- Back-Up Surgeon for various cases

The Second Amendment will restructure the handling of the billing receipts by Loma Linda University Health (LLUH) as follows:


- LLUH will discontinue the practice of remitting paid receipts to RUHS for professional services provided by surgeons.
- Under the Agreement as amended, those receipts will be retained by LLUH – but their value has been credited in the assessment of the fair market value of the total compensation paid for these services. LLUH has agreed to extend the RUHS financial assistance policy to these patients, so there will be no financial impact to patients from this change.

ATTACHMENTS:

Attachment A:

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICE
AGREEMENT WITH FACULTY PHYSICIAN AND SURGEONS OF
LLUSM DBA LOMA LINDA UNIVERSITY FACULTY MEDICAL
GROUP (GENERAL SURGERY PHYSICIAN SERVICES)**

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Teresa Summers, Director of Purchasing 9/3/2019


Brianna Lantajo, Management Analyst 9/3/2019


Gregory F. Priamos, Director County Counsel 9/3/2019

**SECOND AMENDMENT TO THE
AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
(General Surgery Services)**

This Second Amendment to the Agreement for Professional Medical Services (General Surgery Services) (Second Amendment), is entered into by and between the **County of Riverside** (COUNTY), a political subdivision of the State of California, on behalf of the Riverside University Health System Medical Center (HOSPITAL) and **Faculty Physicians and Surgeons of LLUSM**, a California non-profit corporation, **dba Loma Linda University Faculty Medical Group** (CONTRACTOR), sometimes collectively referred to as the "Parties" or individually referred to as a "Party."

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Agreement for Professional Medical Services (General Surgery Services), approved January 23, 2018, Agenda Item Number 3.25, and effective January 1, 2018 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of General Surgery (SPECIALTY); and First Amendment, approved September 21, 2018, and effective July 1, 2018 (First Amendment), and

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement to extend the Term by exercising the renewal options and expanding the scope of services to begin Phase 2 as set forth in the Agreement;

NOW THEREFORE, the Parties agree as follows:

1. Term. Section 5.1 Term is hereby amended to read as follows;

"The Term of this Agreement shall be effective January 1, 2018 through June 30, 2020, with the option to renew for two (2) additional one-year renewals (Renewal Term). Such renewals shall be by execution of a written amendment extending the term."

2. Exhibit A. Exhibit A, Section 1.0 is hereby amended to read as follows:

"1.0 CONTRACTOR STAFFING

A. Provide adequate staffing to assume medical care responsibilities for SPECIALITY services under the direction of the Chief of the DEPARTMENT and the HOSPITAL Medical Director.

B. It is contemplated there shall be the following positions staffed:

Position	Total FTEs
Trauma / Critical Care Fellowship Trained Surgeons	7.0
Surgical Oncology / Colorectal Surgeon	1.0
Vascular Surgeon	1.0
Administrative time - Surgery Department Chair	0.2
Administrative time -Surgical Residency Program Director	0.2

Administrative time Trauma Director	0.2
Surgeon in Chief – National Trauma Leader	1.0
Advance Care Practitioner (ACP) for SICU (PA or NP)	2.0
Research Analyst	1.0
In-House Call Coverage Week Nights (7pm-7am)	1.0
In-House Call Weekend and Holidays (per 24 hours, starting Saturday at 7am and ending Monday at 7am)	1.0
Rounding ICU Weekends/Holidays	1.0
Second Attending to Round on Non-ICU Patients Weekend/Holidays	1.0
Back-Up Surgeon for Cases	1.0

CONTRACTOR shall provide all SPECIALITY outpatient/clinical services, administrative duties, diagnostic procedures, consultations, supervisory duties, teaching services, inpatient care, development of treatment protocols, telehealth and supervision of SPECIALITY services provided at HOSPITAL. Without limiting the foregoing, CONTRACTOR shall staff and provide SPECIALITY services at HOSPITAL’s SPECIALITY clinics and for the Department of General Surgery. CONTRACTOR shall furnish medical professional staff to adequately provide for staffing of clinics, on-call availability as well as other services as specified in this Exhibit. All administrative issues shall be directed to the HOSPITAL Chief of Medical Staff for handling.

- C. Provide or recruit physicians who have been approved by the HOSPITAL’s Credentialing Committee.
- D. Provide suitable staff replacement coverage for any Physician or ACP absent due to extended illness, vacation, seminar attendance, or termination of employment with CONTRACTOR, who was assigned at HOSPITAL under the terms of this Agreement.
- E. Ensure that CONTRACTOR Physicians and ACPs have verifiable SPECIALITY experience and training and must obtain and remain credentialed at all times under the term of this Agreement. Such providers also shall be required by CONTRACTOR to meet HOSPITAL teaching faculty credentialing requirements established in conjunction with HOSPITAL teaching programs and affiliation agreements with teaching institutions.”

3. Exhibit C. Exhibit C Section 1.0 Compensation is hereby amended to read as follows:

“1.0 Compensation

Subject to the conditions set forth below CONTRACTOR’s provision of SPECIALTY outpatient/clinical services, administrative duties, supervisory duties, teaching services, inpatient care, development of treatment protocols, on-call coverage, supervision of SPECIALITY services provided at HOSPITAL, and all other services contemplated by this Agreement, HOSPITAL and CONTRACTOR have agreed on the following fair market value estimate and total contract payment specified in the table below:

POSITION	TOTAL FTE's	VALUE
Trauma / Critical Care Fellowship Trained Surgeons	7.0	\$4,185,274
Surgical Oncology / Colorectal Surgeon	1.0	\$570,276
Vascular Surgeon	1.0	\$649,053
Administrative time Department Chair	0.2	\$129,811
Administrative time Surgical Residency Program Director	0.2	\$119,579
Administrative time Trauma Director	0.2	\$119,579
Surgeon in Chief – National Trauma Leader	1.0	\$1,033,500
Advance Care Practitioner (ACP) for SICU	2.0	\$399,620
Research Analyst	1.0	\$110,240
In-House Call Coverage Week Nights (\$370 per call 7pm-7am)	1.0	\$126,955
In-House Call Coverage Weekend and Holidays (\$1,100 per 24 hours, starting Saturday at 7am and ending Monday at 7am)	1.0	\$175,833
Rounding ICU Weekends and Holidays (\$540 per day)	1.0	\$86,318
Second Attending Rounding on Non-ICU Patients Weekends Holidays (\$540 per day)	1.0	\$86,318
Back-Up Surgeon for Cases (\$700 per case)	1.0	\$34,726
Fair Market Value estimate		\$7,827,082
Anticipated Collections for Professional Services		(\$2,000,000)
Total contract maximum		\$5,827,082

If the Parties mutually agree to change the staffing levels as contemplated above and such change is not effectuated on the first day of a month, then COUNTY shall pay CONTRACTOR a pro rata amount for each of the staffing levels used during such month. Any change to the staffing level must be mutually agreed upon by the Parties and evidenced by a written amendment to this Agreement. The Parties acknowledge that all amounts paid under this Agreement have been determined to be fair market value and commercially reasonable. Payments to CONTRACTOR shall be made on a monthly basis during the term of this Agreement. HOSPITAL shall pay CONTRACTOR payments by the invoice method specified below.”

4. Professional Billing. Exhibit C. Section 2.0 Professional Billing is hereby amended as follows:

“The Parties agree that CONTRACTOR shall continue to bill and collect professional fees for its Professional Services under CONTRACTOR’s tax identification number and provider numbers. CONTRACTOR agrees to extend to HOSPITAL’s patients the same financial assistance policies as HOSPITAL. HOSPITAL will share with CONTRACTOR its determinations relating to the qualification of individuals for financial assistance and underlying submissions relating thereto.

Right to audit – COUNTY shall have the right to audit CONTRACTOR’s billings and collections during normal business hours upon reasonable notice.”

5. **Maximum Annual Compensation.** Exhibit C. Section 4.0 Maximum Annual Compensation is hereby amended to read as follows:

“Maximum annual compensation payable under this Agreement shall not exceed the amount of five million eight hundred twenty-seven thousand eighty-two dollars (\$5,827,082).”
6. **Miscellaneous.** All other terms and conditions of this Agreement are to remain unchanged.
7. **Effective Date.** This Second Amendment to the Agreement shall become effective July 1, 2019.

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

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

By: 

Name: Kevin Jeffries

Title: Chairman, Board of Supervisors

Date: SEP 10 2019

Faculty Physicians and Surgeons of LLUSM dba Loma Linda University Faculty Medical Group

By:  MD

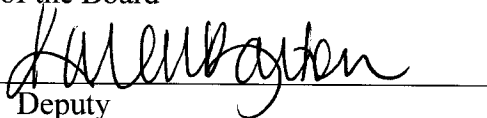
Name: Ricardo Peverini, M.D.

Title: President

Date: 08/21/2019

ATTEST:

Kecia Harper-~~hem~~
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:

Gregory P. Priamos
County Counsel

By: 

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: 8/26/19