



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

**Riverside
University
HEALTH SYSTI
Medical Cent** ITEM
15.1
(ID # 10919)

MEETING DATE:
Tuesday, October 8, 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 Price Fess & Co., LLC for Consultation Services for Cost Reports effective July 1, 2019; Districts: All. [Total Cost \$104,000; up to \$14,600 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 Price Fess & Co., LLC for Consultation Services for Cost Reports, effective July 1, 2019 through June 30, 2020 with the option to extend one year, to expand the scope of service and increase the total aggregate contract amount by \$104,000 from \$42,000 to \$146,000, 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 fiscal funding and as approved by County Counsel to: sign amendments that exercise the options of the agreement including modifications to the scope of services 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 cost of the agreement.

ACTION:Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 8/26/2019

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel and Hewitt
Nays: None
Absent: Washington and Perez
Date: October 8, 2019
xc: RUHS

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$104,000	\$0	\$104,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 19/20-20/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action allows for Riverside University Health System (RUHS) to attain a needed service from Price Fass & Co., LLC as RUHS is required to submit to the state a Disproportionate Share Log (days) which include an all-inclusive cost report. While RUHS-Medical Center diligently works with County Human Resources to fill a crucial position for Fiscals Budget and Reimbursement department, Price Fass & Co., LLC is needed temporarily to provide financial guidance with respect to submission of mandatory complex Medicare/Medicaid cost reports.

Price Fass & Co., LLC is a consulting firm specializing in Medicare reimbursement to hospitals. They provide real-world solutions to a variety of situations arising from the complex environment of Medicare and Medicaid reporting and implements strategic emphasis on Medicare Disproportionate Share Hospital Payments, Medicare/Medicaid Crossover Bad Debts, Unbilled Medicare Managed Care claims, Wage Index Reporting, and Uncompensated and Indigent Care Reporting.

Impact on Residents and Businesses

In an era of rising costs and decreasing budgets, the Medical Center must have innovative ways to stay competitive and increase its bottom line while maintaining compliance with state and Federal guidelines. As the Medical Center increases its bottom line, it will then be able to provide better patient care and attract the best staff.

Additional Fiscal Information

The table below illustrates the maximum contract amount specified for each fiscal year:

Description of Services	FY17/18	FY18/19	FY19/20	FY20/21 (if renewed)	Total
Medicare Crossover Bad Debt reports (FYE 2016-2019)	\$10,500	\$10,500	\$10,500	\$10,500	\$42,000
Disproportionate Share			\$84,000		\$84,000

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(DSH) reports (FYE 2017-2020)					
Medicare Audits - Consultations (FYE 2016-2018)			\$20,000		\$20,000
TOTAL	\$10,500	\$10,500	\$114,500	\$10,500	\$146,000

Contract History and Price Reasonableness

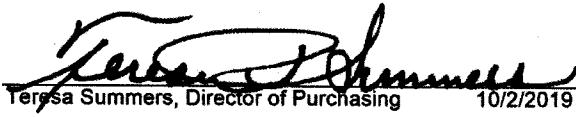
On July 11, 2017, the County entered into a Professional Service Agreement with Price Fass & Co., LLC to provide Consultation Services for Cost Report, effective June 1, 2017 through June 30, 2018, with the option to renew for one additional year through June 30, 2019. In an amount not to exceed \$10,500 for each year, the Medicare crossover bad debt logs were produced, for a total amount not to exceed \$21,000 for the project, including all expenses. This Agreement was within Purchasing Agent's delegation of authority to sign agreements under \$50,000 per year as a result of an informal bid process. Price Fass & Co., LLC was found to be most responsive and responsible candidate based from their proposal and the requirements needed of RUHS-Medical Center. Their proposed consultation fees were a fixed rate well below the competitors and did not include travel expenses as they were able to perform work off-site. A First Amendment was executed on March 15, 2019 under the Purchasing's Authority, which extended the period of performance for two (2) years through June 30, 2020, with an option to renew through June 30, 2021, and increased the total not to exceed amount from \$21,000 to \$42,000, effective July 1, 2018.

This Second Amendment is being requested to broaden the scope of services for the Contractor to assist with and prepare Medicare Disproportionate Share logs to ensure accurate and timely submission of reports to the state, to provide consultation services as it pertains to Medicare audit reviews, and continue with the preparation of Medicare crossover bad debt loss which will cover reporting periods for FYE 2018 and FYE 2019. This amendment increases the total aggregate contract amount by \$104,000 from \$42,000 to \$146,000.

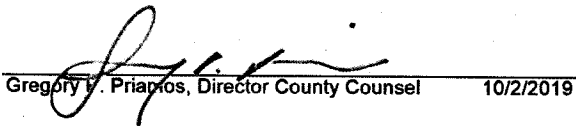
ATTACHMENTS:

Attachment A: Second Amendment to the Professional Services Agreement with Price Fass & Co., LLC for Consulting Services for Cost Reports

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Teresa Summers, Director of Purchasing 10/2/2019


Brianna Lantajo, Management Analyst 10/2/2019


Gregory V. Prietos, Director County Counsel 10/2/2019

**SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
CONSULTATION SERVICES FOR COST REPORTS
BETWEEN COUNTY OF RIVERSIDE AND PRICE FASS & CO., LLC**

This Second Amendment to the Professional Services Agreement for Consultation Services for Cost Reports (herein referred to as "Second Amendment") is made and entered into by and between the **County of Riverside**, a political subdivision of the State of California, on behalf of **Riverside University Health System**, (herein referred to as "COUNTY") and **Price Fass & Co., LLC**, a California limited liability company (herein referred to as "CONTRACTOR"), each a "Party," and collectively the "Parties."

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Consultation Services for Cost Reports, executed July 11, 2017 and effective June 1, 2017, (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment, executed March 15, 2019 and effective July 1, 2018, to extend the period of performance and increase the total not to exceed amount (herein referred to as "First Amendment"); and

WHEREAS, the Parties now desire to amend the Agreement to expand the scope of service and increase the total not to exceed amount;

NOW THEREFORE, the Parties agree as follows:

1. **Compensation.** Subsection 3.1 of Section 3. Compensation is hereby amended to increase the total not to exceed amount by one hundred four thousand dollars (\$104,000), from forty-two thousand dollars (\$42,000) to one hundred forty-six thousand dollars (\$146,000), as follows:

"The COUNTY shall pay the CONTRACTOR for services performed, products provided, and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONTRACTOR shall not exceed one hundred forty-six thousand dollars (\$146,000), including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONTRACTOR's expenses related to this Agreement."

2. **Exhibit A.** PROCESS AND APPROACH of Section 1.0 CONTRACTOR Responsibilities of EXHIBIT A, SCOPE OF SERVICE, is hereby amended to add the preparation of Medicare Disproportionate Share (DSH) logs for FYE 2016/2017, 2017/2018, 2018/2019, and 2019/2020, and consultation services as it pertains to Medicare audits for FYE 2016/2017 and 2017/2018 to the scope of service, as follows:

- “
- CONTRACTOR shall analyze the patient data elements contained on the electronic files;
 - CONTRACTOR shall match Medi-Cal (Traditional and Managed Care) adjudicated crossover claims to Medicare paid claims;
 - CONTRACTOR shall provide COUNTY a detail listing to research as necessary any unmatched crossover claims;
 - CONTRACTOR shall prepare inpatient and outpatient crossover bad debt lists in accordance with current CMS regulations and Medicare fiscal intermediary instructions and auditing practices;
 - CONTRACTOR shall provide the COUNTY with the inpatient and outpatient crossover bad debt logs in an electronic format;
 - CONTRACTOR shall provide the COUNTY with a separate inpatient and outpatient log of the claims based on the paid aid code with the potential Share of Cost to review based on the Intermediaries current instructions;
 - CONTRACTOR shall assist in responding to the fiscal intermediary’s audit inquiries related to the data and reports generated by CONTRACTOR
 - CONTRACTOR shall prepare Medicare Disproportionate Share (DSH) logs for the reporting periods which cover Fiscal Year End (FYE) 2016/2017, 2017/2018, 2018/2019, and 2019/2020.
 - CONTRACTOR shall provide consultation services as it pertains to Medicare audits for the reporting periods which cover Fiscal Year End (FYE) 2016/2017 and 2017/2018.”
3. **Exhibit B.** The first sentence of Section 3.0 of EXHIBIT B, PAYMENT PROVISIONS, is hereby amended, as follows:
- “3.0 COUNTY shall pay CONTRACTOR ten thousand five hundred dollars (\$10,500 rounded) for each year the Medicare Crossover bad debt log(s) are produced, including all expenses.”
4. **Exhibit B.** Section 5.0, Additional Fees, and Section 6.0, Total Not To Exceed Amount, is hereby added to EXHIBIT B, PAYMENT PROVISIONS, as follows:
- “5.0 Additional Fees
- 5.1 COUNTY shall pay CONTRACTOR twenty-one thousand dollars (\$21,000) per reporting period for Medicare Disproportionate Share (DSH) logs to cover FYE 2016/2017, 2017/2018, 2018/2019, and 2019/2020.
 - 5.2 COUNTY shall pay CONTRACTOR at the hourly rate of one hundred fifty dollars (\$150) for consultation services as it pertains to Medicare audits for the reporting periods which cover FYE 2016/2017 and 2017/2018, not to exceed ten thousand dollars (\$10,000) or 66.50 hours per reporting period.
- 6.0 Total Not To Exceed Amount
Maximum payments by COUNTY to CONTRACTOR shall not exceed one hundred forty-six thousand dollars (\$146,000), including all expenses.”

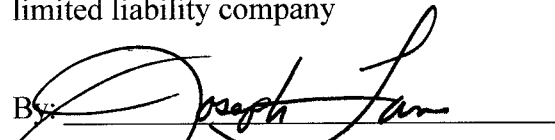
5. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
6. **Effective Date.** This Second Amendment to the Agreement shall become effective upon signature of both Parties, or July 1, 2019, whichever should come first.

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

PRICE FASS & CO., LLC, a California
limited liability company

By: 

By: 

Kevin Jeffries
Chairman, Board of Supervisors

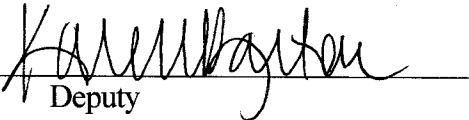
Joseph Fass
Member and President

Date: OCT 08 2019

Date: 9/12/2019

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: 9/20/19