



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



ITEM: 15.1
(ID # 11090)

MEETING DATE:

Tuesday, December 17, 2019

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM - MEDICAL CENTER: Ratification and Approval of the Second Amendment to the Professional Service Agreement for Surgical Spine Physician Services Between County of Riverside and De Anza Orthopedic Medical Group, Inc. effective August 1, 2019 through February 28, 2020, with Option to Renew for One Additional Year; All Districts. [Total Cost Reduction \$405,756; Annual Cost Reduction \$202,878 – 100% Hospital Enterprise Fund 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Second Amendment to the Professional Service Agreement for Surgical Spine Physician Services between County of Riverside and De Anza Orthopedic Medical Group effective August 1, 2019, and decrease the annual contract by \$202,878 from \$900,000 to \$697,122 annually through February 28, 2020 with the option to renew through February 28, 2021, 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 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

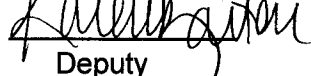

Jennifer Cruikshank, Chief Executive Officer - Health System 11/26/2019

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Perez, seconded by Supervisor Hewitt 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: December 17, 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	(\$ 202,878)	(\$ 202,878)	(\$ 405,756)	\$ 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 actions will approve a Second Amendment which extends the term of the Agreement while modifying the scope of work for Surgical Spine Physician Services for time spent by the surgeons in providing "clinic" services. The actual amount of time spent by contractor surgeons delivering surgical services remains the same. In addition, clear contractor performance requirements, reinforced with potential financial penalties, have been added. The contract allows the contractor to collect and retain professional fees for its professional services while honoring the financial assistance policies of the Riverside University Health System - Medical Center (RUHS-MC).

Impact on Citizens and Businesses

This Amendment continues to improve patient care by providing qualified providers and by fulfilling a key prerequisite for obtaining Level 1 trauma center status.

SUPPLEMENTAL:

Additional Fiscal Information

The table below illustrates the budget amount per fiscal year since commencement of the Contract. Although the annual amount will be reduced, the same quality services will continue to be provided.

Fiscal Year	FY2016/2017	FY2017/2018	FY2018/2019	FY2019/2020	FY2020/2021	TOTAL
Board Approved	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$4,500,000
Reduced Amount	N/A	N/A	N/A	(\$202,878)	(\$202,878)	(\$405,756)
New Amount	\$900,000	\$900,000	\$900,000	\$697,122	\$697,122	\$4,094,244

Contract History and Price Reasonableness

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COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

On July 11, 2017, Agenda Item Number 3.46, the Board approved a Professional Services Agreement with De Anza Orthopedic Medical Group, Inc. effective March 1, 2017 not to exceed the annual amount of \$900,000. On June 19, 2018, under the Purchasing Agent's authority RUHS exercised its renewal option of a First Amendment to the Professional Services Agreement extending the Agreement effective March 1, 2018 through February 28, 2019.

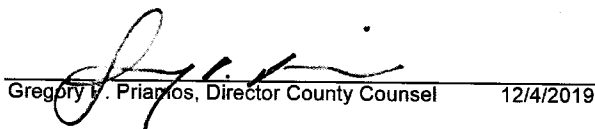
This Second Amendment to the Professional Services Agreement renews the contract period of performance by exercising its renewal options. In addition, the contract contains expected relative value units (RVUs) associated with the professional services billed by contractor physicians and allows the contractor to retain and collect professional fees for its professional services while honoring the financial assistance policies of the Medical Center. While the annual amount paid by the County is decreased, the same quality services will continue to be provided.

ATTACHMENTS:

Attachment A: SECOND AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH DE ANZA ORTHOPEDIC MEDICAL GROUP, INC. (SURGICAL SPINE PHYSICIAN SERVICES)


Teresa Summers, Director of Purchasing 12/4/2019


Brianna Lantajo, Management Analyst 12/10/2019


Gregory L. Priaplos, Director County Counsel 12/4/2019

**SECOND AMENDMENT TO THE
AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
(Surgical Spine Services)**

This Second Amendment to the Agreement for Professional Medical Services (Surgical Spine 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 **De Anza Orthopedic Medical Group**, a California corporation, (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 (Surgical Spine Services), approved July 11, 2017, Agenda Item Number 3.46, and effective March 1, 2017 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Surgical Spine (SPECIALTY); and

WHEREAS, COUNTY and CONTRACTOR desire to amend 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 March 1, 2017 through February 28, 2020, with the option to renew for one (1) additional one-year renewals (Renewal Term) through February 28, 2021. Such renewals shall be by execution of a written amendment extending the term."

2. Exhibit A. The subsection a) in Section 1.0 Contractor Staffing of Exhibit A, is amended to read as follows:


"CONTRACTOR shall provide two full days of spine services in the Operating Room (OR) and two half days of spine clinic care per week. The parties agree that the expected work effort related to these two full days and two half days is 7112 RVUs annually."

3. Exhibit C. Exhibit C is deleted in its entirety and replaced with Exhibit C.1, as attached hereto and incorporated herein.
4. Exhibit E. Exhibit E is deleted in its entirety and replaced with Exhibit E.1, as attached hereto and incorporated herein.
5. Miscellaneous. All other terms and conditions of this Agreement are to remain unchanged.
6. Effective Date. This Second Amendment to the Agreement shall become effective upon signature of both Parties, or August 1, 2019, whichever should come first.

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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

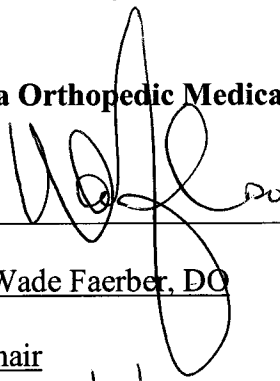
By: 

Name: Kevin Jeffries

Title: Chairman, Board of Supervisors

Date: DEC 17 2019

De Anza Orthopedic Medical Group

By: 

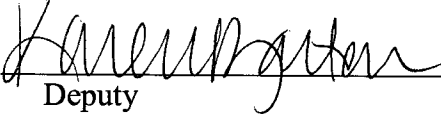
Name: Wade Faerber, DO

Title: Chair

Date: 11/15/19

ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:

Gregory P. Priamos
County Counsel

By: 

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: 11/22/2019

EXHIBIT C.1

PAYMENT PROVISIONS

In consideration of services provided by CONTRACTOR pursuant to this Agreement, CONTRACTOR shall be entitled to receive payment by HOSPITAL in accordance with HOSPITAL policy and procedures as follows:

1.0 Compensation

A. Subject to the conditions set forth below, as payment for CONTRACTOR'S provision of SPECIALITY 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 shall pay CONTRACTOR six hundred ninety-seven thousand one hundred twenty-two dollars (\$697,122) per year, payable in monthly increments not to exceed fifty-eight thousand ninety-three dollars and fifty cents (\$58,093.50). This total reflects agreed to salaries and benefits for each of the positions outlined in Exhibit A.

B. The Parties acknowledge that all amounts paid under this Agreement have been determined to be fair market value and commercially reasonable based on the amount of effort required to provide the needed services. The Parties have agreed that such effort shall be measured by Relative Value Units (RVUs) associated with the professional services billed by CONTRACTOR physicians. CONTRACTOR Physicians will provide and bill for services representing at least 7,112 work RVU per year. RVUs will be reported by CONTRACTOR to HOSPITAL monthly.

C. 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 in this Exhibit C.

2.0 Professional Fees

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.

3.0 Billing Cycle

No later than the fourteenth (14th) working day of each month during the term hereof, CONTRACTOR shall submit to HOSPITAL a monthly billing, in arrears of completion of each month/unit of service and a monthly Physicians Schedule. The Physician Schedule shall include but is not limited to: physician's name, date and hours worked. Any bill not timely submitted shall be deemed submitted with the next billing cycle for payment by HOSPITAL.

4.0 Maximum Annual Compensation

Maximum annual compensation payable under this Agreement shall not exceed the amount of six hundred ninety-seven thousand one hundred twenty-two dollars (\$697,122).

EXHIBIT E.1

PERFORMANCE REQUIREMENTS

1.0 Performance Requirements

1.1 CONTRACTOR shall meet patient care performance requirements (including but not limited to, providing patient and family education in accordance with The Joint Commission standards, timely completion of medical records, Medi-Cal managed care patient-access standards, and on-time attendance for scheduled SPECIALTY clinic services).

1.2 HOSPITAL may deduct five percent (5%) of the monthly amount owed from each of the following quality metrics which the CONTRACTOR fails to meet during that month. These quality metrics will be determined by the Medical Director for the DEPARTMENT and reviewed by the Medical Executive Committee (MEC).

1.2.1 CONTRACTOR shall meet ninety-five percent (95%) of scheduled first cases of the day start on-time.

1.2.2 CONTRACTOR shall meet one hundred percent (100%) of timely and complete fulfillment of medical records.

1.2.3 CONTRACTOR shall complete one hundred percent (100%) of all elements of the informed consent.

1.2.4 CONTRACTOR shall respond to Clinical Documentation Improvement team inquiries within one (1) business day by either: i) amend the patient's documentation or ii) provide a basis for disagreement.