



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



ITEM: 15.1
(ID # 11835)

MEETING DATE:

Tuesday, February 25, 2020

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the First Amendment to the Professional Service Agreement with Arrowhead Neurosurgical Medical Group, Inc. to provide Neurosurgical Services and Residency Program Supervision and Training Effective January 1, 2020 through June 30, 2021, with options to renew through June 30, 2025; All Districts. [Total Cost \$17,801,232; Annual Amount \$4,150,593; up to \$415,059 in additional compensation – 100% Hospital Enterprise Fund 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the First Amendment to the Professional Medical Services Agreement with Arrowhead Neurosurgical Medical Group, Inc. to provide neurosurgical services and residency program supervision and training and increase the annual contract by \$399,620 from \$3,351,353 to \$3,750,973 effective January 1, 2020 through June 30, 2020, and increase the contract by \$799,240 from \$3,351,353 to \$4,150,593 effective July 1, 2020 through June 30, 2021, with the option to extend in one-year increments through June 30, 2025, and authorize the Chairman of the Board to sign the amendment on behalf of the County; and

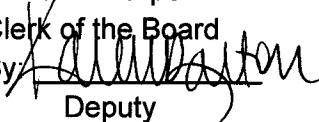
ACTION:Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 2/18/2020

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries 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: February 25, 2020
 xc: RUHS

Kecia R. Harper
 Clerk of the Board
 By: 
 Deputy

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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.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 399,620	\$ 799,240	\$ 17,801,232	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 19/20-24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This action will approve a First Amendment which expands the number of providers by adding Advanced Care Providers (ACPs) providing neurosurgery services. ACPs are either physician assistants or nurse practitioners with specialized background in the field of neurosurgery who will perform the following tasks:

- morning rounding on inpatients with the neurosurgery team;
- seeing patients in the outpatient clinics;
- communications with patients and families before, during and after hospitalization;
- assisting the surgeons in the Operating Rooms;
- screening consult requests for resident surgeons and faculty when they are operating;
- providing patient & family education about impending surgeries;
- participating in hospital nursing education about neurosurgery-related topics

The number of Residents and Fellows allowed to participate in the Medical Center's Neurosurgery residency program has been reduced by the accrediting agency for the program. The Accrediting Council for Graduate Medical Education (ACGME) has ordered that the number of residents admitted to the program be reduced each year. With graduation attrition, the seven-year program will, over the next several years, gradually be reduced from twenty-two (22) physicians in training to seven (7). These resident physicians in training assist the efficiency of the three (3) Attending Physicians providing neurosurgery services in substantial ways.

Therefore, adding ACPs to the contract is intended to continue the current efficiency of the contracted Attending Physicians and maintain the current volume of neurosurgery services without the assistance previously coming solely from physicians in training. The Agreement continues to maintain the contractor's administrative obligations for the specialty service and

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continues the duties of proctoring and oversight of the clinical education of residents and all health care professionals working in neurosurgery services.

Impact on Citizens and Businesses

This Agreement will maintain the current high level of neurosurgery services available at the Medical Center.

Additional Fiscal Information

There are two (2) tables illustrated below: Table I) the current budget amount beginning Fiscal Year (FY) 2016/2017 through FY 2020/2021 and Table II) the total budget amount carried over from the first five fiscal years with the anticipated annual amounts for FY 2021/2022 through FY 2024/2025.

Table I

Fiscal Year	16/17	17/18	18/19	19/20	20/21	Totals
BOS Approved Amount	\$3,391,352.14	\$3,351,353.00	\$3,351,353.00	\$3,351,353.00	\$3,351,353.00	\$16,796,764.14
Requested Amount	N/A	N/A	N/A	\$399,620.00	\$799,240.00	\$1,198,860.00
Total Amount	\$3,391,352.14	\$3,351,353.00	\$3,351,353.00	\$3,750,973.00	\$4,150,593.00	\$17,995,624.14

Table II

Fiscal Year	Total Amount FY16/17 – FY20/21	21/22	22/23	23/24	24/25	Totals
Previous Amount	\$16,796,764.14	N/A	N/A	N/A	N/A	\$16,796,764.14
Requested Amount	\$1,198,860.00	\$4,150,593.00	\$4,150,593.00	\$4,150,593.00	\$4,150,593.00	\$17,801,232.00
Total Amount	\$17,995,624.14	\$4,150,593.00	\$4,150,593.00	\$4,150,593.00	\$4,150,593.00	\$34,597,996.14

Contract History and Price Reasonableness

On July 12, 2016, Agenda Item #3-34, the Board approved a Professional Medical Services Agreement with Arrowhead Neurosurgical Medical Group, Inc. to provide neurosurgical services and residency program supervision and training effective July 1, 2016 for five years in the

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amount of \$3,351,353 per year plus an additional \$40,000 for the first year for a total amount of \$3,391,352.14.

This First Amendment to the Professional Medical Services Agreement will provide additional staffing to maintain the current level of RUHS-Medical Center neurosurgery services. This Amendment will increase the total estimated value effective January 1, 2020 by \$399,620 then increase the total estimated annual amount again effective July 1, 2020 by a total of \$799,240. These increases will be offset by savings from the salaries and benefit costs previously incurred for the resident physicians. Finally, this amendment will have the option, upon annual reviews, to be extended through June 30, 2025 in one-year increments.

ATTACHMENTS:

Attachment A: FIRST AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH ARROWHEAD NEUROSURGICAL MEDICAL GROUP, INC. (NEUROSURGERY SERVICES)


Teresa Summers, Director of Purchasing 2/18/2020


Brianna Lantajo, Management Analyst 2/19/2020


Gregory P. Priaplos, Director County Counsel 2/18/2020

**FIRST AMENDMENT TO THE
AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
(Neurosurgery Services)**

This First Amendment to the Agreement for Professional Medical Services (Neurosurgery Services) (First 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 **Arrowhead Neurosurgical Medical Group, Inc.**, 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 (Neurosurgery Services), approved July 12, 2016, Agenda Item Number 3-34, and effective July 1, 2016 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Neurosurgery (SPECIALTY); and

WHEREAS, COUNTY and CONTRACTOR desire to expand the scope of services and increase the annual contract amount;

NOW THEREFORE, the Parties agree as follows:

1. The first sentence of Paragraph 5.1 is hereby amended to read as follows:

"This Agreement will be effective July 1, 2016 (Effective Date) through June 30, 2021, with options to renew for four (4) additional one-year terms through June 30, 2025."

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	Effective January 1, 2020		Effective July 1, 2020	
	Total FTE	Annual RVUs	Total FTE	Annual RVUs
Neurosurgeons	3.0	20,835	3.0	20,835
Advanced Care Providers (ACP)	2.0	1,084	4.0	2,168
Program Director (two days per week)	0.4	n/a	0.4	n/a

A full time equivalent (FTE) is agreed to be coverage at the hospital for forty-two (42) weeks per year, consisting of two operating room focused days averaging eight to ten (8-10) hours per day and three clinic focused days averaging eight (8) hours per day per FTE. It is agreed that a staffing level outlined above CONTRACTOR is responsible for staffing the HOSPITAL's operating room and clinics for SPECIALTY services fifty-two (52) weeks per year. CONTRACTOR shall provide all SPECIALTY outpatient/clinical services, administrative duties, diagnostic procedures, consultations, supervisory duties, teaching services, inpatient care, development of treatment protocols, telehealth and supervision of SPECIALTY services provided at HOSPITAL.

Without limiting the foregoing, CONTRACTOR shall staff and provide SPECIALTY services at HOSPITAL's SPECIALTY clinics and for the Department of Neuro 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 SPECIALTY 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.
- F. Advance Care Providers (ACP) will assist the neurosurgery team with the following:
 - 1) Morning rounding on inpatients with team;
 - 2) Outpatient clinics;
 - 3) Communications with patients and families before, during and after hospitalization;
 - 4) Assist in the Operating Room (OR), when possible;
 - 5) screen consults for residents and faculty when they are occupied in the OR;
 - 6) patient and family education about impending surgery; and
 - 7) participate in hospital nursing education about neurosurgery-related topics.”

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

“1.0 Compensation

- A. 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 shall pay CONTRACTOR as follows:

- a. an annual amount not to exceed three million seven hundred fifty thousand nine hundred seventy-three dollars (\$3,750,973) effective January 1, 2020 through June 30, 2020; and
- b. an annual amount not to exceed four million one hundred fifty thousand five hundred ninety-three dollars (\$4,150,593) effective July 1, 2020 through June 30, 2021.

B. 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. **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 four million one hundred fifty thousand five hundred ninety-three dollars (\$4,150,593).”

5. **Reimbursement of Certain Expenses.** Exhibit C. Payment Provision, is hereby amended to add the following section:

“5.0 Reimbursement of Certain Expenses

CONTRACTOR shall be reimbursed for expenses covered in Exhibit G Riverside University Health System; Policy No OP.125.1, *Title: Reimbursement for Residency Program Training Expenses for Contracted Physician Groups*, incorporated herein by this reference payment shall be made only upon submission of all documentation, review and approvals as outlined in this policy.”

6. **Reimbursement Policy.** Amend to include Exhibit G Riverside University Health System; Policy No OP.125.1, *Title: Reimbursement for Residency Program Training Expenses for Contracted Physician Groups*.

7. The original Exhibit “E” - **Performance Requirements**” is hereby deleted and replaced with the attached Exhibit “E.1”.

8. **Miscellaneous.** All other terms and conditions of this Agreement are to remain unchanged.

9. **Effective Date.** This First Amendment to the Agreement shall become effective January 1, 2020.

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

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

Arrowhead Neurosurgical Medical Group, Inc.

By: 

By: 

Name: V. Manuel Perez

Name: Javed Siddiqi, M.D.

Title: Chairman, Board of Supervisors

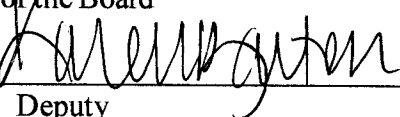
Title: President

Date: FEB 25 2020

Date: 2/5/2020

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: 2/18/2020

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 be responsive to the Clinical Documentation Improvement team.

EXHIBIT G

REIMBURSEMENT POLICY

		Document No: OP.125.1	Page 6 of
Title: Reimbursement for Residency Program Training Expenses for Contracted Physician Groups	Effective Date: 7/1/2019	<input type="checkbox"/> RUHS – Behavioral Health <input type="checkbox"/> RUHS – Community Health Centers <input type="checkbox"/> RUHS – Hospital Based Clinics <input type="checkbox"/> RUHS – Medical Center <input type="checkbox"/> RUHS – Public Health <input checked="" type="checkbox"/> Departmental	
Approved By: Daniel Kim, MD Designated Institutional Officer / Director of Medical Education	<input checked="" type="checkbox"/> Policy <input checked="" type="checkbox"/> Procedure <input type="checkbox"/> Guideline		

1. SCOPE

- 1.1 This policy applies to those residency programs that are administered by contracted physician groups via a Professional Services Agreement (PSA) with Riverside County / Riverside University Health System-Medical Center for the reimbursement of budgeted residency program expenses.

2. PURPOSE

- 2.1 The purpose of this policy / procedure is to establish the circumstances by which contracted physician groups may be reimbursed for budgeted expenses for the residency programs that they administer. It will additionally establish the procedure for obtaining reimbursement for these same budgeted residency program expenses.

3. POLICY SPECIFICATIONS

3.1 Qualifying Expenses

- a. The following expenses qualify for reimbursement via the terms delineated in the procedure section of this document:

- Resident recruitment events (aka “meet and greet” events)
- New resident welcome events
- Resident graduation / recognition events
- Travel for Program Director and/or Faculty

3.2 Program Budget

- a. All expenses for which reimbursement is requested must have been included in the requesting program’s fiscal year budget for the year reimbursement is being requested.

4. PROCEDURE

The processing of reimbursement requests for qualifying expenses will be done in accordance with all RUHS and Riverside County policies as listed in Section 6 “References” of this policy.

- 4.1 All requests must have been pre-approved utilizing the RUHS GME-specific form “Approval Form for RUHS Sponsored Conferences / Trainings / Recognitions” and all required supporting

documentation. The only permitted exception to this is travel, which must have pre-approval utilizing the "Travel Authorization / Training Request Form" and all required supporting documentation.

a. Pre-approval deadlines:

- Approval forms for resident recruitment events, new resident welcome events and resident graduation / recognition events should be sent to the GME Office for approval at least 90 days prior to the date of the event.
- Travel Authorization forms for program director / faculty travel are required to be submitted at least 30 days prior to the date of travel. However, the GME Office recommends these forms be submitted at least 60 days prior to the date of travel.

- 4.2 Any vendor used must be an approved / registered vendor with Riverside County Purchasing.
- 4.3 All requests for reimbursement of qualifying expenses must be made within 30 days of the expense having been incurred.
- 4.4 Original itemized receipts must be submitted, and the receipt must be in the name of the contracted group or an attending physician who is an employee / member of the contracted group and has privileges at RUHS-MC. For those expenses paid for with a credit card, at least the last four (4) digits of the credit card number of the credit card used must be on the receipt submitted for reimbursement.
- 4.5 Under no circumstances will reimbursement be made for the purchase or serving of alcoholic beverages. Receipts submitted for reimbursement must not contain reference to the purchase or serving of alcoholic beverages.
- 4.6 Any inconsistencies with the reimbursement claim, supporting documentation or approvals may result in a delay in reimbursement, payment processing or denial of the claim.

5. REFERENCES

- 5.1 Auditor / Controller Policy 206 "Employee Reimbursements"
- 5.2 Auditor / Controller Policy 207 "County Sponsored Conference and Training"
- 5.3 Board of Supervisors Policy A-34 "Recognition of Service to the County and Presentations of Awards" (Official Functions Section)
- 5.4 Board of Supervisors Policy D-1 "Reimbursements for General Travel & Other Actual & Necessary Expenses"

Document History:

Prior Release Dates:		Retire Date:	
Document Owner: Graduate Medical Education		Replaces Policy:	
Date Reviewed:	Reviewed By:	Revisions Made:	Revision Description: