



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



ITEM: 15.1  
(ID # 12130)

**MEETING DATE:**  
Tuesday, April 21, 2020

**FROM:** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the Third Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to Provide Cardiology Physician Services Effective January 1, 2020 through January 31, 2021; All Districts. [Total Cost Increase \$1,908,618; up to \$190,861 in additional compensation – 100% Hospital Enterprise Fund - 40050]

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

1. Ratify and approve the Third Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to provide Cardiology Physician services and increase the annual contract by \$604,119 from \$2,202,889 to \$2,807,008 effective January 1, 2020 through June 30, 2020, then increase the contract amount by \$1,304,499 from \$2,202,889 to \$3,507,388 effective July 1, 2020 through January 31, 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 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, Executive Officer - Health System 3/30/2020

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**MINUTES OF THE GOVERNING BOARD**

On motion of Supervisor Jeffries, seconded by Supervisor Washington 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: April 21, 2020  
xc: RUHS

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH  
SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS  
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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>	\$ 604,119	\$ 1,304,499	\$ 1,908,618	\$ 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: 19/20-20/21</b>	

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

**BACKGROUND:**

**Summary**

This action will approve a Third Amendment which expands the scope of work by increasing the number of non-invasive cardiologists to cover services. By adding additional full-time equivalents (FTE) into the contract, this will increase the annual contract amount. 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.

The Cardiology service at RUHS Medical Center provides outpatient clinic services, outpatient and inpatient surgical procedures and consultations. As the new catheterization laboratory (cath lab) has opened and is now available, RUHS-MC is able to accommodate additional services for patients which, in turn, creates the need more cardiologists to provide those services.

**Impact on Citizens and Businesses**

This Agreement improves patient care by increasing the number of service providers and providing consultation and services in this specialty more quickly to those in need of them.

**Additional Fiscal Information**

The table below illustrates the budgeted amount per fiscal year since commencement of the Contract Agreement.

<b>Fiscal Year</b>	<b>FY2016/2017 (effective February 1, 2017)</b>	<b>FY2017/2018</b>	<b>FY2018/2019</b>	<b>FY2019/2020</b>	<b>FY2020/2021</b>	<b>TOTAL</b>
<b>Amount Approved by the Board</b>	\$1,871,946	\$2,202,889	\$2,202,889	\$2,202,889	\$2,202,889	\$10,683,502
<b>Requested Increase</b>	N/A	N/A	N/A	\$604,119	\$1,304,499	\$1,908,618

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Amount						
Totals	\$1,871,946	\$2,202,889	\$2,202,889	\$2,807,008	\$3,507,388	\$12,592,120

**Contract History and Price Reasonableness**

On January 31, 2017, Agenda Item #3.20, the Board approved a Professional Service Agreement with Faculty Physicians and Surgeons of LLUSM dba Loma Linda University Faculty Medical Group, effective February 1, 2017 for five years at the annual maximum amount not to exceed \$2,202,889. Under the authority of the Purchasing Agent, the First and Second Amendments were executed to extend the term, exercise the renewal options and add quality metrics. The First Amendment was executed on October 31, 2018 and a Second Amendment was approved August 22, 2019.

This Third Amendment to the Professional Service Agreement will supplement staffing to allow for the cardiology department to cover services for more patients. This Amendment will increase the total estimated value from \$2,202,889 to \$3,507,388 annually. By increasing the clinical staff and expanding patient care volumes, the hospital will realize an increase in proceeds from the related professional billing. All professional billing proceeds under this agreement will be retained by RUHS which will offset the increased cost.

**ATTACHMENTS:**

**Attachment A: THIRD AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH FACULTY PHYSICIAN AND SURGEONS OF LLUSM DBA LOMA LINDA UNIVERSITY FACULTY MEDICAL GROUP (CARDIOLOGY SERVICES)**

  
Teresa Summers, Director of Purchasing 4/10/2020

  
Brianna Lehtajo, Management Analyst 4/14/2020

  
Gregory H. Priamos, Director County Counsel 4/13/2020

**THIRD AMENDMENT TO THE  
AGREEMENT FOR  
PROFESSIONAL MEDICAL SERVICES  
(Cardiology Services)**

This Third Amendment to the Agreement for Professional Medical Services (Cardiology Services) (Third 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 (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 (Cardiology Services), approved January 31, 2017, Agenda Item Number 3.20, and effective February 1, 2017 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Cardiology (SPECIALTY); and,

WHEREAS, COUNTY and CONTRACTOR desire to expand the scope of work, increase the contract amount and extend the Term 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 February 1, 2017 through January 31, 2021. Such Renewal Terms shall only be effective by execution of written amendments extending the term.”

2. Exhibit A. Section 1.0, subsection A. of Exhibit A Scope of Services, is amended as follows:

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

Position	Effective January 1, 2020		Effective July 1, 2020	
	Full-Time Equivalent (FTE)	Annual RVUs	Full-Time Equivalent (FTE)	Annual RVUs
Cardiologist (Interventional)	1.2	12,893	1.2	12,893
Cardiologist (Non-Invasive)	2.4	16,183	2.8	18,880
Night Call	365 nights			
Weekend Day & 12 Holidays Coverage	116 days			

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 clinic. 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.”

3. Exhibit C. Section 1.0 of Exhibit C. Payment Provision is hereby amended as follows:

“1.0 Compensation

Subject to the conditions set forth below, as payment for 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 SPECIALTY services provided at HOSPITAL, and all other services contemplated by this Agreement, HOSPITAL shall pay CONTRACTOR as follows:

POSITIONS	Effective January 1, 2020		Effective July 1, 2020	
	Total Full-time equivalent (FTE)	VALUE	Total Full-time equivalent (FTE)	VALUE
Cardiologist (Interventional)	1.2	\$973,324	1.2	\$973,324
Cardiologist (Non-Invasive)	2.4	\$1,502,276	2.8	\$1,752,655
Night Call	365 nights	\$251,485	365 nights	\$251,485
Weekend Days & 12 Holidays	116 days	\$79,924	116 days	\$79,924
Annual Maximum Amount	N/A	\$2,807,009	N/A	\$3,057,388

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. Section 3.0 of Exhibit C. Payment Provision is hereby amended as follows:


“Maximum annual compensation payable under this Agreement shall not exceed the amount of three million fifty-seven thousand three hundred eighty-eight dollars (\$3,057,388).”

5. Miscellaneous. All other terms and conditions of this Agreement are to remain unchanged.
6. Effective Date. This Third Amendment to the Agreement shall become effective upon signature of both Parties, or January 1, 2020, whichever should come first.

*[Signature Page Follows]*

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

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

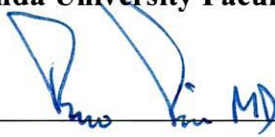
By: 

Name: V. Manuel Perez

Title: Chairman, Board of Supervisors

Date: APR 21 2020

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

By: 

Name: Ricardo Peverini, MD

Title: President

Date: 03/11/2020

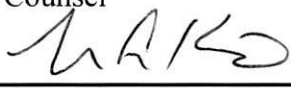
**ATTEST:**

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: 3/16/2020