



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



ITEM: 15.2  
(ID # 12198)

**MEETING DATE:**

Tuesday, April 21, 2020

**FROM:** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the Fifth Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to Provide Obstetrics/Gynecology Services Effective March 13, 2020 through December 31, 2021; All Districts. [Annual Cost Increase \$965,520; up to \$96,552 in additional compensation; 51% Hospital Enterprise Fund– 40050; 49% FQHC Enterprise Fund– 40090]

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

1. Ratify and approve the Fifth Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to provide Obstetrics/Gynecology Services effective March 13, 2020 through December 31, 2021 and increase the annual maximum contract amount by \$965,520 from \$4,585,861 to \$5,551,381, 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 which exercise the options of the agreement including modifications of the statement of work that stay within the intent 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 Crankshaw, Health System 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

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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>	\$ 965,520	\$ 965,520	\$ 1,931,040	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 51% Hospital Enterprise Fund – 40050; 49% FQHC Enterprise Fund – 40090			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 19/20-21/22	

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

**BACKGROUND:**

**Summary**

This action will approve a Fifth Amendment to the Agreement with the group that has provided obstetrics and gynecology (OB/GYN) services since 2017. In that time, the amount and types of services provided has steadily increased – demonstrating both the need for high quality services in these specialties within the County and the productivity of the group providing them at RUHS.

The need for this Amendment arises from a change in the model of service delivery from a stand-alone OB/GYN outpatient clinic and inpatient services within RUHS Medical Center to an integrated model which will provide outpatient OB/GYN services within a new federally qualified health center (FQHC) in the new Medical Surgical Center on the Moreno Valley medical campus – while still maintaining the inpatient services and inmate services provided within the Medical Center.

The total value of the Agreement remains the same under this Amendment. However, as the services move to an FQHC model they are also differently reimbursed. Instead of the medical group billing for all their professional services, the Amendment provides for the group to bill the RUHS CHC for half days of physician services in various specialties. The CHC then bills third party payors and patients for those services as permitted under FQHC reimbursement rules. This will increase the annual contract amount, but that increased amount will be offset by the expected FQHC revenues. The medical group will also continue to bill for inpatient and inmate services provided in the Medical Center. Work effort measures are set out, with potential financial penalties, for both hospital-based services and FQHC services. All other features of the Agreement remain the same such as the administrative obligations for the specialty service and the proctoring and review on a regular basis for the clinical education of residents and all health care professionals working in obstetrics and gynecology services.

**Impact on Citizens and Businesses**

This Agreement improves patient care by including obstetrics and gynecology services within the integrated, coordinated care model of a federal qualified health center rather than a stand-alone hospital clinic.

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**Additional Fiscal Information**

Illustrated in the table below are the amounts previously approved and the requested amount as it pertains to this Fifth Amendment, which is effective March 13, 2020 through December 31, 2021.

Fiscal Year	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021 – 2021/2022	TOTAL
BOS approved 12/13/16; 3.54	\$2,382,471	\$4,764,942	\$4,764,942	\$4,764,942	\$4,764,942	\$21,442,239
BOS approved Decrease 09/10/19; 15.6	N/A	N/A	N/A	(\$179,081)	(\$179,081)	(\$358,162)
Requested Increase Amount	N/A	N/A	N/A	\$965,520	\$965,520	\$1,931,040
Totals	\$2,382,471	\$4,764,942	\$4,764,942	\$5,551,381	\$5,551,381	\$23,015,117

**Contract History and Price Reasonableness**

On December 13, 2016, Agenda Item 3.54, the Board approved the Professional Services Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to provide professional obstetrics and gynecological physician services not to exceed \$4,764,942 annually. The Agreement was first amended on September 4, 2018 by the Purchasing Agent to renew the term and include quality performance requirements. On July 15, 2019, the Purchasing Agent approved a second amendment to exercise its renewal option of the Agreement. On September 10, 2019; Agenda Item No. 15.6, the Board approved a third amendment to amend the scope of work and decrease the annual amount by \$179,081 from \$4,764,942 to \$4,585,861. Finally, on December 19, 2019 the Purchasing Agent approved a fourth amendment to exercise the renewal option of the Agreement.

This Fifth Amendment to the Professional Services Agreement will continue development of the integrated RUHS care model so that patients are able to receive obstetrics and gynecology services with an RUHS-CHC. This Amendment will increase the maximum annual payment under the Agreement from \$4,585,861 to \$ 5,551,381.

**ATTACHMENTS:**

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

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

  
Teresa Summers, Director of Purchasing 4/8/2020

  
Brianna Lentajo, Management Analyst 4/14/2020

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

**FIFTH AMENDMENT TO THE  
AGREEMENT FOR  
PROFESSIONAL MEDICAL SERVICES  
(Obstetrics/Gynecology Services)**

This Fifth Amendment to the Agreement for Professional Medical Services (Obstetrics/Gynecology Services) (Fifth 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 (Obstetrics/Gynecology Services), approved December 13, 2016, Agenda Item 3-54, and effective January 16, 2017 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Obstetrics/Gynecology services (SPECIALTY); and

WHEREAS, COUNTY and CONTRACTOR have entered into that certain First Amendment to the Agreement, approved September 4, 2018 and effective January 16, 2018, to extend the Term by exercising its renewal option and to add performance requirements (First Amendment); and

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Second Amendment to the Agreement, approved July 15, 2019 and effective January 16, 2019, to extend the Term by exercising its renewal option (Second Amendment); and

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Third Amendment to the Agreement, approved September 10, 2019; Agenda Item No. 15.6 and effective July 1, 2019 to amend the scope of work and the annual contract amount (Third Amendment); and

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Fourth Amendment to the Agreement, approved December 19, 2019 and effective January 16, 2020 to extend the Term by exercising its renewal option (Fourth Amendment); and,

WHEREAS, COUNTY and CONTRACTOR desire to amend the scope of service to reflect the description of where services will be regularly provided into two different sites of care and to amend the compensation terms of the Agreement:

NOW THEREFORE, the Parties agree as follows:

1. Definition. Section 1.13 shall be included in Section 1.0 of the Agreement as follows:

“1.13 “Riverside University Health System-Community Health Centers (CHC)” shall mean primary and specialty care at the CHC’s Federally Qualified Health Centers (FQHC)

throughout Riverside County. The FQHCs provide comprehensive outpatient primary care services. CHC and FQHC is used interchangeably.”

2. Exhibit A. The table illustrating Exhibit A, Paragraph 1.0 CONTRACTOR STAFFING, is hereby amended as follows:

POSITION	HOSPITAL Based Activities	CHC/FQHC Based Activities	COMBINED TOTAL FTE
Department Chair	0.8	0.2	1.0
Gynecology Oncology	0.3	0.7	1.0
Gynecology Obstetrics	4.0	4.0	8.0
Maternal-Fetal Medicine (MFM)	1.1	0.9	2.0
Female Pelvic Medicine and Reconstructive Surgery (FPMRS)	0.3	0.7	1.0
<b>TOTAL</b>	<b>6.5</b>	<b>6.5</b>	<b>13.0</b>

3. Exhibit A. The following language will be added following paragraph “1.0 subsection A”:

“The parties agree that for **HOSPITAL based activities** a full time equivalent (FTE) is agreed to be coverage at the HOSPITAL for forty-two point four (42.4) weeks per year, five days per week, averaging eight to ten (8-10) hours per day. It is agreed that a staffing level of six point five (6.5) FTEs CONTRACTOR is responsible for staffing the HOSPITAL’s SPECIALTY services fifty-two (52) weeks per year. The parties further agree that for **CHC/FQHC based activities** a full time equivalent (FTE) is agreed to be coverage at the FQHC in the Medical Surgical Center on the Moreno Valley medical campus for forty-two point four (42.4) weeks per year, ten (10) half days per week, averaging four to five (4-5) hours per half day.”

4. Exhibit C. Exhibit C is deleted in its entirety and replaced with Exhibit C.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 Fifth Amendment to the Agreement shall become effective upon March 13, 2020.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the Parties have caused their duly authorized representatives to executed this Fifth Amendment.

**COUNTY OF RIVERSIDE**, a political  
Subdivision of the State of California

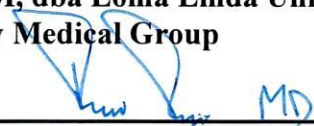
By: 

Name: V. Manuel Perez

Title: Chairperson, Board of Supervisors

Date: APR 21 2020

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

By:  MD

Name: Ricardo Peverini, MD

Title: President

Date: 03/17/2020

**ATTEST:**

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**

Gregory P. Priamos  
County Counsel

By: 

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: 3/19/2020

## 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 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 at CHC's FQHC, and all other services contemplated by this Agreement, HOSPITAL shall pay CONTRACTOR as set forth in this Exhibit.

B. **Work Effort Measures:** The Parties acknowledge that all amounts paid under this Agreement have been determined to be fair market value and commercially reasonable and an essential part of that determination is the minimum amount of effort that will be made by CONTRACTOR Physicians under this Agreement. The parties have agreed that such effort for HOSPITAL based activities shall be measured by relative value units (RVUs) associated with the professional services billed by CONTRACTOR physicians. The parties have further agreed that such effort for CHC/FQHC based activities shall be measured by the expected number of patient visits to be completed by CONTRACTOR physicians during each half day worked and billed for.

C. **Hospital Based Services:** CONTRACTOR physicians will provide and bill patients and third parties under this Agreement for the professional component of HOSPITAL Based Services representing at least the following expected work RVUs per year broken down as follows:

Expected Effort - Hospital Based Services			
Specialty	FTE	Monthly RVUs	Yearly RVUs
Department Chair	0.8	353	4,233
Gynecology Oncology	0.3	155	1,861
Gynecology Obstetrics	4.0	2,205	26,456
Maternal-Fetal Medicine (MFM)	1.1	631	7,566
Female Pelvic Medicine and Reconstructive Surgery (FPMRS)	0.3	160	1,926
<b>Total</b>	6.5	3,504	42,042



**PAYMENT PROVISIONS**

In addition, COUNTY will pay CONTRACTOR two million two hundred eight thousand seven hundred two dollars (\$2,208,702) annually in monthly payments of one hundred eighty-four thousand fifty-eight dollars (\$184,058) for this expected work effort. RVUs will be reported by CONTRACTOR to HOSPITAL monthly and if less than the expected work RVUs are provided within a sixth-month period, HOSPITAL will withhold from the sixth and twelfth monthly payments an amount equal the percentage of RVUs not billed as follows:

RVUs actually billed for 6 months

$$42,042 \text{ work RVUs} \times \$ 2,208,702 = \text{amount withheld}$$

D. **CHC/FQHC Based Services:** CONTRACTOR physicians will provide and bill under this Agreement for CHC/FQHC Services representing at least the following expected work effort:

<b>CHC/FQHC Based Services Expected Work Effort</b>				
<b>Specialty</b>	<b>FTE</b>	<b>Half days per month</b>	<b>Expected Patient Visits Per Half Day</b>	<b>Expected Patient Visits Per Month</b>
<b>Department Chair</b>	0.2	7	8	56
<b>Gynecology Oncology</b>	0.7	25	5	125
<b>Gynecology Obstetrics</b>	4.0	141	8	1,128
<b>Maternal-Fetal Medicine (MFM)</b>	0.9	32	8	256
<b>Female Pelvic Medicine and Reconstructive Surgery (FPMRS)</b>	0.7	25	7	175
<b>Total</b>	6.5	N/A	N/A	1,615

CONTRACTOR will not bill patients or third party payors for CHC/FQHC based services. Instead, CONTRACTOR will bill and the CHC will pay CONTRACTOR monthly, in arrears, for the half days worked in the prior month by each category of specialist physician at the following rates:

## PAYMENT PROVISIONS

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FQHC Based Services Half Day Rates		
Specialty	FTE	Half Day Rate
Department Chair	0.2	\$1,846.49
Gynecology Oncology	0.7	\$1,442.17
Gynecology Obstetrics	4.0	\$1,069.93
Maternal-Fetal Medicine (MFM)	0.9	\$1,532.03
Female Pelvic Medicine and Reconstructive Surgery (FPMRS)	0.7	\$1,209.00
Total	6.5	N/A

In addition, the number of patients visits in each category of specialist will be recorded and reported by CHC to CONTRACTOR monthly and if less than the expected number of patient visits is completed within a sixth-month period CHC will withhold from the sixth and twelfth monthly payments an amount equal the percentage patient visits not completed as follows:

Patient visits actually completed for 6 months

Patient visits expected for 6 months x \$ 3,342,679 = amount withheld

E. 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.

F. The parties agree and acknowledge that these compensation provisions cannot be amended prior to March 13, 2021.

### 2.0 Billing Cycle

No later than the fourteenth (14<sup>th</sup>) working day of each month during the term hereof, CONTRACTOR shall submit to HOSPITAL and to the CHC (a) monthly billing statements, in arrears of completion of each month/unit of service and (b) a monthly Schedule of Physician Work completed at the HOSPITAL and at the CHC. The Schedules shall include but not be 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 or CHC.

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**PAYMENT PROVISIONS**

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**3.0 Professional Billing**

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.

**4.0 Right to audit**

COUNTY shall have the right to audit CONTRACTOR's professional billings and collections during normal business hours upon reasonable notice.

**5.0 Maximum Annual Compensation**

Maximum annual compensation payable under this Agreement shall not exceed the amount of five million five hundred fifty-one thousand three hundred eight one dollars (\$5,551,381).