



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



ITEM: 15.1
(ID # 12146)

MEETING DATE:
Tuesday, August 25, 2020

FROM: RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the Fourth Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to Provide Oncology/Hematology Physician Services Effective February 1, 2020 with the option to renew through December 31, 2025; All Districts. [Total Cost Increase \$10,381,252; Annual Cost Increase \$536,042; up to 10% in additional compensation – 100% Hospital Enterprise Fund - 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Fourth Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine to provide Oncology/Hematology Physician services and increase the annual contract by \$536,042 from \$1,433,000 to \$1,969,042 effective February 1, 2020 with the option to renew through December 31, 2025, 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%) of the annual contract amount.


ACTION: Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 7/21/2020

MINUTES OF THE GOVERNING BOARD

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

Ayes: Spiegel, Washington, Perez and Hewitt
 Nays: None
 Absent: Jeffries
 Date: August 25, 2020
 xc: RUHS-MD

Kecia R. Harper
 Clerk of the Board
 By: 
 Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 536,042	\$ 1,969,042	\$ 10,381,252	\$ 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 Fourth Amendment which extends the term of the Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine (FPS LLUSM) and expands the scope of work by increasing the number of physicians to cover services such as follow-up on the in-patient consultations. Adding additional full-time equivalents (FTE) into the contract will increase the annual contract amount. The Agreement will continue to maintain services relating to Administrative obligations for the specialty service, proctoring and review on a regular basis for the clinical education of resident physicians.

Riverside University Health System-Medical Center (RUHS-MC) experienced a sudden and unexpected resignation from one of our County employed hematologist/oncologist physicians. Therefore, in order for RUHS-MC to not be required to transfer inpatients to other facilities and to have the ability to cover the outpatients whom this physician was following, FPS LLUSM agreed to cover the needed service while RUHS-MC works diligently with County Human Resources to identify a possible permanent replacement.

Impact on Citizens and Businesses

This Agreement improves patient care by increasing the number of physicians providing services and by services in this specialty being provided more quickly to those in need of them.

Additional Fiscal Information

The total requested increase amount for the Fourth Amendment is \$10,381,252. The fiscal year breakdown is reflected in the following tables.

Table I: Budgeted amounts effective FY 2015/2016 through FY 2019/2020

Fiscal Year	FY 2015/2016 (effective January 1, 2016)	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	TOTAL
Amount Approved by the Board	\$1,433,000	\$1,433,000	\$1,433,000	\$1,433,000	\$1,433,000	\$7,165,000

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Requested Increase Amount	N/A	N/A	N/A	N/A	\$536,042	\$536,042
Totals	\$1,433,000	\$1,433,000	\$1,433,000	\$1,433,000	\$1,969,042	\$7,701,042

Table II: Annual amounts effective FY 2020/2021 through FY 2024/2025

Fiscal Year	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	TOTAL
Requested Amount	\$1,969,042	\$1,969,042	\$1,969,042	\$1,969,042	\$1,969,042	\$9,845,210

Contract History and Price Reasonableness

On September 13, 2016, Agenda Item #3-38, the Board approved a Professional Services Agreement with Faculty Physicians and Surgeons of LLUSM dba Loma Linda University Faculty Medical Group effective January 1, 2016 for five years at the annual maximum amount not to exceed \$1,433,000. A First Amendment was approved under the authority of the Purchasing Agent on August 27, 2018 and effective July 11, 2018, which extended the term exercising its renewal option, corrected the annual compensation written in the Agreement and included performance requirements. A Second Amendment was approved July 2, 2019 under the authority of the Purchasing Agent effective January 1, 2019, which extended the term exercising its renewal option. Finally, a Third Amendment was approved January 23, 2020 under the authority of the Purchasing Agent effective January 1, 2020 to extend the period of performance through December 31, 2020.

This Fourth Amendment to the Professional Services Agreement will extend the term of the agreement, expand the scope of service and increase the annual amount to allow specialty services to cover patient care. This Amendment will increase the total estimated value from \$1,433,000 to \$1,969,042 annually through December 31, 2025.

ATTACHMENTS:

Attachment A: FOURTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT WITH FACULTY PHYSICIAN AND SURGEONS OF LLUSM DBA LOMA LINDA UNIVERSITY FACULTY MEDICAL GROUP (ONCOLOGY/HEMATOLOGY SERVICES)

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Teresa Summers, Director of Purchasing 7/29/2020


Brianna Lantajo, Management Analyst 8/18/2020


Gregory J. Priamos, Director County Counsel 7/29/2020

**FOURTH AMENDMENT TO THE
AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
(Oncology/Hematology Services)**

This Fourth Amendment to the Agreement for Professional Medical Services (Oncology/Hematology Services) (Fourth 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 (Oncology/Hematology Services), approved September 13, 2016, Agenda Item Number 3-38, and effective January 1, 2016 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Oncology/Hematology (SPECIALTY);

WHEREAS, COUNTY and CONTRACTOR have entered into that certain First Amendment to the Agreement, effective July 11, 2018, to extend the period of performance by exercising its renewal option, correct the compensation amount, and include performance requirements;

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Second Amendment to the Agreement, effective January 1, 2019, to extend the period of performance by exercising a renewal option;

WHEREAS, COUNTY and CONTRACTOR have entered into that Third Amendment to the Agreement, effective January 1, 2020, to extend the period of performance by exercising a renewal option; and

WHEREAS, COUNTY and CONTRACTOR desire to extend the Term further, to expand the scope of service and increase the annual amount.

NOW THEREFORE, the Parties agree as follows:

1. Term. Section 5.1 Term is hereby amended with the following:

"The Term of this Agreement shall be effective January 1, 2016 through December 31, 2020 and may be extended annually through December 31, 2025 by execution of written amendment extending the term for a year."

2. Exhibit A. Section 1.0.A. Contractor Staffing of Exhibit A, is deleted in its entirety and replaced with the following:

"1.0 CONTRACTOR STAFFING

A. Provide adequate staffing to assume medical care responsibilities for SPECIALTY services under the direction of the Chief of the DEPARTMENT and the HOSPITAL Medical Director. It is initially contemplated there shall be:

- i) Two point three (2.3) Full Time Equivalent (FTE) Physicians and two (2) (FTE) ACP providing services effective February 1, 2020 through July 31, 2020.
- ii) Three (3) FTE Physicians and two (2) (FTE) ACP providing services effective August 1, 2020.

The Parties agree that a Full Time Equivalent (FTE) Physician or ACP provides services at least forty (40) hours per week for at least forty-two point four (42.4) weeks per year.

CONTRACTOR agrees that with the amount of services provided for in this contract it shall provide all SPECIALTY outpatient/clinical services, administrative duties, diagnostic procedures, consultations, supervisory duties, teaching services, inpatient care, development of treatment protocols, and supervision of SPECIALTY services provided at HOSPITAL. Without limiting the foregoing, CONTRACTOR shall staff and provide SPECIALTY services to HOSPITAL's SPECIALTY clinic for 25 half days per week (Monday through Friday). 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 B. Exhibit B List of Contractor Physicians, is amended to add the Physicians as listed below, effective February 1, 2020:

CS Chen MD, K. Khandelwal MD, R. Demisse MD, Jen Lin NP

4. Exhibit C. Section 1.0 Compensation of Exhibit C, is hereby deleted in its entirety and replaced with the following:

"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 telephone coverage, supervision of SPECIALTY services provided at HOSPITAL, and all other services contemplated by this Agreement, as follows:

- (a) Effective February 1, 2020 through July 31, 2020, HOSPITAL shall pay CONTRACTOR an amount not to exceed one hundred thirty-two thousand eight hundred eighteen dollars (\$132,818) per month for two point three (2.3) FTE Physicians and two (2) FTE ACPs.
- (b) Effective August 1, 2020, HOSPITAL shall pay CONTRACTOR an amount not to exceed one hundred sixty-four thousand eighty-seven dollars (\$164,087) per month for three (3) FTE Physicians and two (2) FTE ACPs.

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.”

5. Exhibit C. Section 4.0 Maximum Annual Compensation of Exhibit C, is deleted in its entirety and replace with the following:


“Maximum annual compensation payable under this Agreement shall not exceed the amount of one million nine hundred sixty-nine thousand forty-two dollars (\$1,969,042).”

6. Miscellaneous. All other terms and conditions of this Agreement are to remain unchanged.
7. Effective Date. This Fourth Amendment to the Agreement shall become effective February 1, 2020.

[Signature Page Follows]

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

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

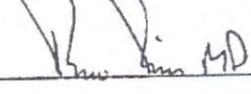
By: 

Name: V. Manuel Perez

Title: Chairman, Board of Supervisors

Date: AUG 25 2020

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

By: 

Name: Ricardo Peverini, MD

Title: President

Date: 07/13/2020


ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:

Gregory P. Priamos
County Counsel

By: 

Name: Martha Ann Knutson

By: Deputy County Counsel

Date: 7/17/2020