



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



ITEM: 15.2
(ID # 15507)

MEETING DATE:

Tuesday, July 20, 2021

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratify and Approve of the Fifth Amendments to the Professional Service Agreement with Compspec, Inc. and Health Advocates, LLC for Third Party Liability Services, Without Seeking Competitive Bids, All Districts. [Total Cost of Contracts \$900,000, 100% Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Fifth Amendment to the Professional Service Agreement with Compspec, Inc. for Third Party Liability Services, without seeking competitive bids for third party liability services, to extend the period of performance for one year commencing on July 1, 2021 through June 30, 2022, not to exceed the original annual amount of \$200,000, and authorize the Chair of the Board to sign the Amendment on behalf of the County;
2. Ratify and approve the Fifth Amendment to the Professional Service Agreement with Health Advocates, LLC for Third Party Liability Services, without seeking competitive bids effective April 1, 2021 to increase the contract maximum for FY20/21 by \$200,000 from \$300,000 to \$500,000, extend period of performance for one (1) year commencing on July 1, 2021 through June 30, 2022, not to exceed \$500,000 and authorize the Chair of the Board to sign the Amendment on behalf of the County; and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 on the availability of funding and as approved by County Counsel, to sign Amendments that make modifications to the scope of services that stay within the intent of the Agreement.

ACTION: Policy


ACTION:Policy


 Jennifer Cruikshank, Chief Executive Officer - Health System 8/18/2021

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel 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: July 20, 2021
 xc: RUHS-Medical Center

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	\$ 200,000	\$ 700,000	\$ 900,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% - Hospital Enterprise Fund			Budget Adjustment:	No
			For Fiscal Year:	20/21-21/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Fifth Amendment will amend the Professional Services Agreement with Health Advocates, LLC and Compspec, Inc. to extend the period of performance for one additional year and update the Scope of Services, and also increase the FY20/21 contract maximum for the Health Advocates, LLC Agreement.

Compspec, Inc. and Health Advocates, LLC continue to provide third party eligibility services via alpha split (AL-MZ) on a contingency paid basis. The diversification of patient accounts by alpha split is an industry standard practice that lends to a volume increase in accounts resulting in an increase in revenue for RUHS. RUHS will assign accounts as needed.

The vendors assist patients in completing mandated healthcare forms, reviewing and investigating patient accounts to determine a third-party affiliation. In addition, the vendors will perform home visits to collect the necessary information that is needed to secure reimbursement. This is a value-added service to RUHS given the current circumstances related to the pandemic. Health Advocates, LLC and Compspec, Inc. track the application submission through final determination of payor. This often involves lengthy appeals processes resulting in retro eligibility and reimbursement for the hospital.

Impact on Residents and Businesses

These services are a component of RUHS's system of care aimed at improving the health and safety of its patients and the community.

Contract History and Price Reasonableness

On July 26, 2016, Agenda Item No. 3-44, the Board approved the Professional Service Agreements for Third Party Liability Services with Compspec, Inc. and Health Advocates, LLC for two years, July 1, 2015 through June 30, 2017 in a combined not to exceed amount of \$700,000 annually. On August 29, 2017, Agenda Item No. 3.88, the Board approved the First Amendments to the Professional Service Agreements with Compspec, Inc. and Health Advocates, LLC to extend the period of performance for twelve (12) months from July 1,

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

2017 to June 30, 2018 for a combined not to exceed amount of \$500,000 annually. On June 12, 2018, Agenda Item No. 3.29, the Board approved the Second Amendments to the Professional Service Agreements with Compspec, Inc. and Health Advocates, LLC to extend the period of performance for twelve (12) months from July 1, 2018 to June 30, 2019 for a combined not to exceed amount of \$500,000 annually. On July 2, 2019, Agenda Item No. 15.1, the Board approved the Third Amendments to the Professional Service Agreements with Compspec, Inc. and Health Advocates, LLC to extend the period of performance for twelve (12) months from July 1, 2019 through June 30, 2020 for a combined not to exceed amount of \$500,000 annually. On December 08, 2020, Agenda Item No. 15.3, the Board approved the Fourth Amendments to the Professional Service Agreements with Compspec, Inc. and Health Advocates, LLC to extend the period of performance for twelve (12) months from July 1, 2020 through June 30, 2021 for a combined not to exceed amount of \$500,000 annually.

RUHS is requesting an additional amount of \$200,000 effective April 1, 2021 through June 30, 2021 to cover current and future invoices through June 30, 2021. Health Advocates, LLC has not increased their percentage fees to the County since the origination of the agreement and is only reimbursed when monies are recovered. The vendors have been successful in their recovery efforts and have proven to be lucrative for RUHS. The following depicts RUHS return on investment for the following fiscal years:

FY 18-19 - \$ 765,298

FY 19/20 - \$1,879,204

FY 20-21 (YTD-March) - \$2,078,330

The extension of the contract term for one additional fiscal year will allow time for completion of the RFP process.

ATTACHMENTS:


ATTACHMENT A. FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR THIRD PARTY LIABILITY SERVICES BETWEEN COUNTY OF RIVERSIDE AND COMPSPEC, INC.

ATTACHMENT B. FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR THIRD PARTY LIABILITY SERVICES BETWEEN COUNTY OF RIVERSIDE AND HEALTH ADVOCATES, LLC

ATTACHMENT C. COMPSPEC, INC. SINGLE SOURCE JUSTIFICATION

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

ATTACHMENT D. HEALTH ADVOCATES SINGLE SOURCE JUSTIFICATION


Suzanna Heckley, Assistant Director of Purchasing and Fleet Service 7/2/2021


Jacqueline Ruiz, Sr. Management Analyst 7/9/2021


Gregory H. Priamos, Director County Counsel 7/7/2021


Gregory H. Priamos, Director County Counsel 7/7/2021

**FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN COUNTY OF RIVERSIDE AND HEALTH ADVOCATES, LLC**

This Fifth Amendment to the Professional Service Agreement for Third Party Liability Services (herein referred to as "Fifth Amendment") is made and entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"), on behalf of Riverside University Health System (herein referred to as "RUHS"), and HEALTH ADVOCATES, LLC, a California limited liability company, (herein referred to as "CONTRACTOR"), sometimes collectively referred to as the "Parties" or individually referred to as a "Party."

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Third Party Liability Services, approved July 26, 2016, Agenda Item No. 3.44, and effective July 1, 2015, (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment to the Agreement, approved August 29, 2017, Agenda Item No. 3.88, and effective July 1, 2017, to extend the period of performance for twelve (12) months, from July 1, 2017 to June 30, 2018, and decrease the annual not to exceed amount by \$100,000, from \$400,000 annually to \$300,000 annually, (herein referred to as "First Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment to the Agreement, approved June 12, 2018, Agenda Item No. 3.29, and effective July 1, 2018, to extend the period of performance for twelve (12) months, from July 1, 2018 to June 30, 2019, (herein referred to as "Second Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Third Amendment to the Agreement, approved July 2, 2019, Agenda Item No. 15.1, and effective July 1, 2019, to extend the period of performance for twelve (12) months, from July 1, 2019 to June 30, 2020, (herein referred to as "Third Amendment");

WHEREAS, COUNTY and CONTRACTOR entered into that certain Fourth Amendment to the Agreement, approved December 8, 2020, Agenda Item No. 15.3, and effective July 1, 2020, to extend the period of performance for twelve (12) months, from July 1, 2020 to June 30, 2021, (herein referred to as "Fourth Amendment");

WHEREAS, COUNTY and CONTRACTOR now desire to amend the Agreement to extend the period of performance, increase the maximum annual compensation amount, and modify the Exhibit A Scope of Services;

NOW THEREFORE, the Parties agree as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance is hereby amended to extend the period of performance for twelve (12) additional months commencing on July 1, 2021 and continuing through June 30, 2022, as follows:

“This Agreement shall be effective July 1, 2015 through June 30, 2022, unless terminated earlier.”

2. **Compensation.** The second sentence of Subsection 3.1 of Section 3. Compensation is hereby amended to increase the maximum annual compensation amount by two hundred thousand dollars (\$200,000), from three hundred thousand dollars (\$300,000) annually to five hundred thousand dollars (\$500,000) annually, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed five hundred thousand dollars (\$500,000) annually, including all expenses.”

3. **Scope of Services.** Exhibit A. Subsection 12.3 of Section 12.0, Return of Accounts to COUNTY, shall be deleted in its entirety and replaced as follows:

“Payment received on account at the COUNTY prior or within 10 business days of the referral of the account to CONTRACTOR”

4. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.

5. **Effective Date.** This Fifth Amendment to the Agreement shall become effective April 1, 2021.

6. **Electronic Signature.** Each party to this Fifth Amendment agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signature(s) included herein are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Signature page follows]

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

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

HEALTH ADVOCATES, LLC, a California limited liability company

By: Karen S. Spiegel
Karen Spiegel
Chair, Board of Supervisors

By: Steve Levine
Steve Levine
CEO

Date: JUL 20 2021

Date: 5-13-21

ATTEST:
Kecia R. Harper
Clerk of the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: [Signature]
Esen Saniz
Deputy County Counsel

Date: 5/17/21



MCARA
22-005

Date: 5/26/2021

From: Jennifer Cruikshank, RUHS, CEO

To: Board of Supervisors/Purchasing Agent

Via: Sarah Acosta, Executive Director, Revenue Cycle

Subject: Sole or Single Source Procurement; Request for Health Advocates, LLC

The below information is provided in support of my Department requesting approval for a sole or single source. *(Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole or single source.)*

1. **Supplier being requested: Health Advocates LLC**

2. **Vendor ID: 0000081929**

3. **Single Source** **Sole Source**
(Single Source - is a purchase of a commodity or service without obtaining competitive bids although more than one source is available)

(Sole Source - is a purchase of a commodity or service that is proprietary or no other vendor is qualified or willing to meet the county specified requirements)

4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?** *(If yes, please provide the approved sole or single source number).*

x **Yes** **No**
 SSJ# 21-057

4a. **Was the request approved for a different project?**

Yes x **No**

5. **Supply/Service being requested:**
 Health Advocates LLC ("Health Advocates") provides contingency based services such as eligibility services for Medi-Cal, Medicare and Medi-Cal Disproportionate Share, Social Security Disability, Victims of Crime, worker's compensation, third party liability, insurance recovery and self-pay. The vendor assists at all stages of the eligibility process including the



initial completion, reconsideration, and appeals. The vendor assists to recovery monies owed to RUHS.

6. Unique features of the supply/service being requested from this supplier.

Health Advocates provides healthcare revenue recovery services through a contingency based approach where they are compensated a percentage of monies recovered. Although there are qualified providers of this service, Health Advocates is distinguished for their field work approach. The vendors field work includes home visits to collect the information necessary to secure reimbursement. The vendor works side by side with the patient to assist the patient in completion of the application, documentation collection and reviewing for accuracy. This value-added service and approach has proven to be a successful to RUHS recovery of monies and the efficient operation of eligibility processing.

This vendor provides a full range of services from application collection, verification collection and application of eligibility submission on behalf of the patient.

7. Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:

The Revenue Recovery Department at RUHS functions to aid in the collection of monies owed to RUHS which results in increased revenue. The department seeks to secure reimbursement on all accounts, however given the sizable number of accounts versus RUHS staff, is just not attainable. Health Advocates services help to supplement this shortage and ensure the continuity of eligibility processing. The vendor tracks the eligibility application submission through final determination of payor which oftentimes involves a lengthy appeals process, resulting in retro eligibility and reimbursement for the hospital.

RUHS Revenue Recovery has contracted on a contingency basis with two vendors that equally provide third party eligibility services for complex cases via alpha split (A-L, M-Z). The diversification of alpha split is industry standard and enables each vendor to increase their volume of accounts assigned resulting in an increase in revenue for RUHS.

8. Period of Performance: From: 04/01/2021 to 6/30/2022

Is this an annually renewable contract? No Yes

Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

9. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or



other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY 20/21	FY 21/22	Total
One-time Costs:		\$500,000	\$500,000
Annual contract funds			
Ongoing Costs:			
<i>(Insert description)</i>			
Previous SSJ Approved Amounts:	\$300,000		\$300,000
<i>Additional Amounts Requested April 2021 – June 2021</i>	\$200,000		
Total Costs	\$500,000	\$500,000	\$800,000

Note: Insert additional rows as needed

10. Price Reasonableness: (Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)

Vendor provides services on a contingency basis, allowing the hospital to maximize revenue and secure reimbursement for accounts which may otherwise be not reimbursed. Fees have remained consistent. Health Advocates, LLC has not increased their percentage fees to the County since the origination of the agreement.

Health Advocates, LLC is only reimbursed when monies are recovered.

The following depicts RUHS return on investment for fiscal years:

FY 18-19 - \$ 474,730

FY 19/20 - \$1,173,515

FY 20-21 (YTD-March) - \$1,689,122

The vendor has been successful in their recovery efforts and have proven to be lucrative for RUHS.

Due to an unexpected increase in the volume of patient accounts assigned to the vendor in 20/21, RUHS has exceeded the maximum contract amount of \$300,000 approved by the Board of Supervisors on December 8, 2020, Agenda Item # 15.3. RUHS is requesting an



additional amount of \$200,000 effective, April 1, 2021 to cover the funds for current and future invoices through June 30, 2021.

RUHS Revenue Recovery department is requesting to extend the contract term for one additional fiscal year to allow time for completion of the current Request For Proposal (RFP) process. The RFP process will seek competitive bids and a multi-year Agreement.

RUHS has projected an annual not to exceed amount of \$500,000 for FY 21/22.

- 11. Projected Board of Supervisor Date (if applicable): June 29, 2021**
(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)

*SEE
Next pg*

Department Head Signature
(or designee)

Print Name

Date

Riverside University HEALTH SYSTEM

Jennifer Cruikshank

Jennifer Cruikshank

Jun 2, 2021

Department Head Signature
(or designee)

Print Name

Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Condition/s:

Pend BOS

Condition:

Final SSJ Approval. Must be bid prior to END OF THIS TERM.

Not to exceed:

One-time \$ *200,000*

Annual Amount \$ _____ / per fiscal year through _____ (date)
(If Annual Amount Varies each FY)

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

Suzanna Hinckley

Purchasing Agent

ASSA. DW

6/15/21

Date

22-005

Approval Number

(Reference on Purchasing Documents)

**FIFTH AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
THIRD PARTY LIABILITY SERVICES
BETWEEN COUNTY OF RIVERSIDE AND COMPSPEC, INC.**

This Fifth Amendment to the Professional Service Agreement for Third Party Liability Services (herein referred to as "Fifth Amendment") is made and entered into by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"), on behalf of Riverside University Health System (herein referred to as "RUHS"), and COMPSPEC, INC., a California corporation, (herein referred to as "CONTRACTOR"), sometimes collectively referred to as the "Parties" or individually referred to as a "Party."

WHEREAS, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Third Party Liability Services, approved July 26, 2016, Agenda Item No. 3.44, and effective July 1, 2015, (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment to the Agreement, approved August 29, 2017, Agenda Item No. 3.88, and effective July 1, 2017, to extend the period of performance for twelve (12) months, from July 1, 2017 to June 30, 2018, and decrease the annual not to exceed amount by \$100,000, from \$300,000 annually to \$200,000 annually, (herein referred to as "First Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment to the Agreement, approved June 12, 2018, Agenda Item No. 3.29, and effective July 1, 2018, to extend the period of performance for twelve (12) months, from July 1, 2018 to June 30, 2019, (herein referred to as "Second Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Third Amendment to the Agreement, approved July 2, 2019, Agenda Item No. 15.1, and effective July 1, 2019, to extend the period of performance for twelve (12) months, from July 1, 2019 to June 30, 2020, (herein referred to as "Third Amendment");

WHEREAS, COUNTY and CONTRACTOR entered into that certain Fourth Amendment to the Agreement, approved December 8, 2020, Agenda Item No. 15.3, and effective July 1, 2020, to extend the period of performance for twelve (12) months, from July 1, 2020 to June 30, 2021, (herein referred to as "Fourth Amendment");

WHEREAS, COUNTY and CONTRACTOR now desire to amend the Agreement to extend the period of performance and modify Exhibit A Scope of Services;

NOW THEREFORE, the Parties agree as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance is hereby amended to extend the period of performance for twelve (12) additional months commencing on July 1, 2021 and continuing through June 30, 2022, as follows:

“This Agreement shall be effective July 1, 2015 through June 30, 2022, unless terminated earlier.”

2. **Scope of Services.** Exhibit A. Subsection 12.3 of Section 12.0, Return of Accounts to COUNTY, shall be deleted in its entirety and replaced as follows:

“Payment received on account at the COUNTY prior or within 10 business days of the referral of the account to CONTRACTOR”

3. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.

4. **Effective Date.** This Fifth Amendment to the Agreement shall become effective upon signature of both Parties or July 1, 2021, whichever should come first.

5. **Electronic Signature.** Each party to this Fifth Amendment agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signature(s) included herein are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[Signature page follows]

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

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

COMPSPEC, INC., a California corporation

By: Karen S. Spiegel
Karen Spiegel
Chair, Board of Supervisors

By: Nabil Haddad
Nabil Haddad
CEO, Secretary, & CFO

Date: JUL 20 2021

Date: 5/12/2021

ATTEST:
Kecia R. Harper
Clerk of the Board

By: Yusuf Raso
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: Esen Sainz
Esen Sainz
Deputy County Counsel

Date: 5/17/21



MCARE
22-006

Date: 5/26/2021

From: Jennifer Cruikshank, RUHS CEO

To: Board of Supervisors/Purchasing Agent

Via: Sarah Acosta, Executive Director, Revenue Cycle

Subject: Sole or Single Source Procurement; Request for Compspec, Inc.

The below information is provided in support of my Department requesting approval for a sole or single source. *(Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole or single source.)*

1. Supplier being requested: Compspec, Inc.

2. Vendor ID: 0000002039

3. Single Source Sole Source
(Single Source - is a purchase of a commodity or service without obtaining competitive bids although more than one source is available)

(Sole Source - is a purchase of a commodity or service that is proprietary or no other vendor is qualified or willing to meet the county specified requirements)

4. Have you previously requested and received approval for a sole or single source request for this vendor for your department? *(If yes, please provide the approved sole or single source number).*

Yes No
 SSJ# 17-029, 21-053

4a. Was the request approved for a different project?

Yes No

5. Supply/Service being requested:

Compspec provides revenue recovery services on a contingency basis to include eligibility services for Medi-Cal, Medicare and Medi-Cal Disproportionate Share, Social Security Disability, Victims of Crime, worker's compensation, third party liability, insurance recovery



and self-pay. The vendor assists with eligibility services and appeals denied cases to aide in the recovery of monies owed to RUHS.

6. Unique features of the supply/service being requested from this supplier.

Compspec provides a variety of services from application, verification collection and submission on behalf of patient. The vendor uses the latest skip tracing tools and techniques. Compspec's proprietary state of the art computer systems enables seamless electronic connectivity to RUHS that results in a quick interface of data. Furthermore, Compspec, Inc. will perform patient home visits to collect the necessary information needed to ensure the application for eligibility is accurate and submitted timely to procure reimbursement. During these unprecedented times, Compspec has been providing a value-added service to RUHS.

7. Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:

At present, Compspec has serviced over a 100 California hospitals and health care facilities both private and public and recovered over \$1 billion of net revenue for their contracted clients. RUHS Revenue Recovery primary goal is to secure reimbursement for all accounts, however the volume of accounts exceeds the number of staff available to meet this goal. Compspec works on a contingency basis, therefore services provided afford reimbursement for accounts which may not have been otherwise reimbursed. The vendor has been successful in tracking the application submission through final determination of payor which often involves a lengthy appeals process, resulting in retro eligibility and reimbursement for the hospital.

RUHS Revenue Recovery has contracted on a contingency basis with two vendors that equally provide third party eligibility services for complex cases via alpha split (A-L, M-Z). The diversification of alpha split is an industry standard practice that enables each vendor to increase their volume of accounts assigned and thus result in an increase in revenue for RUHS.

8. Period of Performance: From: 07/01/2021 to 6/30/2022

Is this an annually renewable contract? No Yes

Is this a fixed-term agreement: No Yes

(A fixed-term agreement is set for a specific amount of time; it is not renewed annually. Ensure multi-year fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, then the agreement must be submitted to the Board for approval. No exemptions shall apply.)

9. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. If approval is for multiple years, ongoing costs



must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY 21/22	Total
One-time Costs:	\$200,000	\$200,000
Annual contract funds		
Ongoing Costs:		
Previous SSJ Approved Amounts:		
Total Costs	\$200,000	\$200,000

Note: Insert additional rows as needed

10. Price Reasonableness: (Explain why this price is reasonable or cost effective – were you provided government discounted pricing? Is this rate/fee comparable to industry standards?)

Vendor provides services on a contingency basis, allowing the hospital to maximize revenue and secure reimbursement for accounts which may otherwise not be reimbursed. Fees have remained consistent. Compspec has not increased their percentage fees to the County since the origination of the agreement. Compspec is only reimbursed when monies are recovered.

The following depicts the monies recovered by Compspec, Inc. over the past two fiscal years:

FY 18/19 - \$290,568

FY 19/20 - \$705,689

FY 20/21 (to date through March 2021) - \$389,207

RUHS is requesting to extend the contract term for one additional fiscal year to allow time for completion of the RFP process.

11. Projected Board of Supervisor Date (if applicable): June 29, 2021

(Draft Form 11s, service agreement and or quotes must accompany the sole source request for Purchasing Agent approval.)



Jennifer Cruikshank

Jennifer Cruikshank

Jun 2, 2021

Department Head Signature
(or designee)

Print Name

Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Condition/s:

*Requires BOS approval. Final SSJ for this item
Please begin competitive procurement process for
2023. Must be bid prior to expiration.*

Not to exceed:

One-time \$ 200,000 -

Annual Amount \$ _____ / per fiscal year through _____ (date)
(If Annual Amount Varies each FY)

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

FY _____ : \$ _____

Suzanna Hinckley

6/14/21

22-004

Purchasing Agent

Date

Approval Number

Assistant Director

(Reference on Purchasing Documents)