



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



ITEM: 15.2
(ID # 18868)

MEETING DATE:

Tuesday, May 10, 2022

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM - Medical Center: Ratification and Approval of a Third Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine dba Loma Linda University Faculty Medical Group to Provide Anesthesia Services Increasing the Annual Maximum Contract Amounts Effective March 1, 2022 through February 28, 2025, All Districts. [Total Amendment Cost \$5,510,377; Up to 10% in Additional Compensation Annually; 100% - Hospital Enterprise Fund 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve a Third Amendment to the Professional Service Agreement with Faculty Physicians and Surgeons of Loma Linda University School of Medicine dba Loma Linda University Faculty Medical Group (FPS LLUSM) to provide anesthesia services and to increase the annual contract amount by \$4,846,013 from \$11,598,626 to \$16,444,639 for the term March 1, 2022 to February 28, 2023, increase by \$328,893 to \$16,773,531 for the term March 1, 2023 through February 29, 2024 and increase by \$335,471 to \$17,109,002 for the term March 1, 2024 through February 28, 2025 and authorize the Chairman of the Board to sign the Agreement 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 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 4/13/2022

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Washington 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: May 10, 2022
 xc: RUHS-MC

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$4,846,013	\$328,893	\$5,510,377	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund			Budget Adjustment:	No
			For Fiscal Year:	21/22 – 24/25

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action will ratify and approve the Third Amendment to the Agreement to increase the amount of Anesthesia Attending Physicians and Certified Registered Nurse Anesthetists (CRNA) in order to provide sufficient coverage throughout the areas where surgical services are provided at Riverside University Health System – Medical Center (RUHS-MC). Additionally, this Third Amendment will add two FPS LLUSM Advanced Care Practitioners (ACP) who, along with two County-employed ACPs will see patients in a PreOp clinic on the RUHS-MC campus.

RUHS-MC has historically received anesthesia services through a contracted physician group. Due to its patient volume increase and the types of procedures performed, RUHS-MC needs an experienced, highly-qualified physician group who can provide attending physicians, CRNAs and ACPs to deliver the following:

- Anesthesia coverage for the Medical Surgical Center building that opened March 2020, and on-site anesthesia services within the Medical Center seven days a week, twenty-four hours per day, at various staffing levels.
- Physician coverage for a dedicated pain management service that began in July 1, 2020.
- Continuation of the Anesthesia residency training program in place at RUHS-MC that RUHS-MC hopes will supply future specialty physicians in the Inland Empire.

In response to these needs, RUHS-MC negotiated a contract with FPS LLUSM for anesthesia services, effective March 1, 2020. Procurement of these services was a part of RUHS-MC's general effort to respond to increases in patient volumes, continue its ability to offer a wider variety of procedures, and continuously enhance service levels.

Through its partnership with FPS LLUSM, RUHS-MC has made significant improvements in the quality of care provided to patients in the County of Riverside by ensuring it can provide vital services to the surrounding community.

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Impact on Residents and Businesses

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

Additional Fiscal Information

The maximum annual compensation of this Agreement includes an increase of two percent (2%) annually. There are sufficient appropriations in the Department's FY21/22 budget and no additional County funds are required.

Contract History and Price Reasonableness

On April 7, 2020, the Board approved the initial Professional Services Agreement (Agenda Item #15.3) with FPS LLUSM, effective March 1, 2020, through February 28, 2021, with the option to renew annually through February 28, 2025. Total maximum annual compensation for FY20/21 – FY21/22 in the initial Agreement was structured as depicted below:

- FY20/21 (March 1, 2020 – July 1, 2020); Compensation: \$3,310,232
- FY21/22 (July 1, 2020 – February 28, 2021); Compensation: \$10,744,955

On March 9, 2021, under the Purchasing Agent's authority, RUHS-MC exercised its renewal option in the First Amendment to the Professional Services Agreement, extending the Agreement effective March 1, 2021 through February 28, 2022 with a maximum annual contract amount of \$10,959,843.

On September 15, 2021, under the Purchasing Agent's authority, RUHS-MC executed a Second Amendment to the Professional Services Agreement, effective July 1, 2021, to amend the Agreement's scope of services to add 2.5 full time equivalents in staffing, include electronic signature provisions, and increase the Agreement's maximum annual compensation from \$10,959,843 to \$11,598,626.

The FTE for the Anesthesia Attending Physicians included in this Agreement have been found by Medical Group Management Association standards to be priced below the average rate for such services. The cost per FTE for such physician services in this Agreement is \$430,000/per FTE which is \$42,031 dollars lower than the average price for similar services. Additionally, RUHS-MC engaged experts in the healthcare field to assist with a competitive market analysis to ensure that Agreements like these meet price reasonableness and rates are within industry standards.

ATTACHMENTS: THIRD AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL MEDICAL SERVICES (Anesthesia Services)

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Suzanna Hockley, Assistant Director of Purchasing and Fleet Service

4/18/2022



Jacqueline Ruiz, Sr. Management Analyst

5/4/2022

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

This Third Amendment to the Agreement for Professional Medical Services (Anesthesia 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 Medical Center (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".

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Agreement for Professional Medical Services (Anesthesia Services), approved April 7, 2020, Agenda Item #15.3, and (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Anesthesia (SPECIALTY); and.

WHEREAS, COUNTY and CONTRACTOR have entered into that certain First Amendment to the Agreement, approved March 19, 2021 to extend the period of performance; and that certain Second Amendment of the Agreement executed September 15, 2021; and.

WHEREAS, COUNTY and CONTRACTOR now desire to amend the scope of services and increase the contract maximum amount of the Agreement;

NOW THEREFORE, the Parties agree as follows:

1. Contractor Staffing. Section 1.1 of Exhibit A. Scope of Services is hereby deleted and replaced with the following:

"1.1 CONTRACTOR shall provide adequate staffing to assume medical care responsibilities for SPECIALTY services under the direction of the HOSPITAL Medical Director. It is contemplated there shall be the following positions staffed:

Description	FTEs	Work Effort Measure
Anesthesia Attending Physicians	17.12	11,830 ASA Units per 1.0 FTE (202,530 total Units)
Advanced Care Provider (ACP)	2.0	2 Patients Per Clinic Day, Per Provider
Certified Nurse Anesthetists (CRNAs)	16.27	6,259 ASA Units per 1.0 FTE (101,834 total Units)
Department Chair and Program Director	1.0	N/A

2. Compensation. Section 1.1 of Exhibit C Payment Provisions is hereby deleted and replaced with the following:

“1.1 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, supervision of SPECIALTY services provided at HOSPITAL, and all other services contemplated by this Agreement, HOSPITAL shall pay CONTRACTOR in monthly increments of one million three hundred seventy thousand three hundred eighty-six dollars and fifty-five cents (\$1,370,386.55) per month.

	Total FTE	Cost per FTE	Total Amount
Anesthesia Attending Physicians	17.12	\$592,540	\$10,144,284.80
Advanced Care Provider (ACP)	2.0	\$192,920	\$385,840
CRNAs	16.27	\$316,940	\$ 5,156,613.80
Department Chair and Program Director	1.0	\$757,900	\$757,900
TOTAL	36.39	N/A	\$16,444,638.60

3. Maximum Annual Compensation. Section 4.0 of Exhibit C Payment Provisions is hereby deleted and replaced with the following:

“4.1 Maximum annual compensation payable under this Agreement shall not exceed the amount of sixteen million four hundred forty-four thousand six hundred thirty-eight dollars and sixty cents (\$16,444,638.60) annually.”

4. Contractor Staffing. Section 1.3 of Contractor Coverage is hereby deleted and replaced with the following:

“1.3 Specifically, CONTRACTOR will schedule and provide coverage each day as follows:

- 1.3.1 Four Medical Center operating rooms from 07:00 to 17:00
- 1.3.2 Two Medical Center operating rooms from 07:00 to 19:00
- 1.3.3 Two Medical Center operating rooms 24 hours
- 1.3.4 One Trauma operating room 24 hours
- 1.3.5 One Obstetric room 24 hours
- 1.3.6 Four Medical Surgical Center operating rooms from 07:00 to 17:00
- 1.3.7 At night, weekends and holidays there will be two attendings and one CRNA. With the additional support of a resident, this team could cover

- 2+1 rooms (including Ob) or if there is one case of lower complexity for a CRNA to run, the team could run up to 3+1 rooms
- 1.3.8 non-OR anesthesia (NORA) 5 days/week from 7:00 to 17:00
- 1.3.9 Two advanced care practitioners that along with two ACPs employed by the County, will run the preop clinic, 5 days a week, 8 hours a day.”

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 March 1, 2022.

[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: Jeff Hewitt

Title: Chair, Board of Supervisors

Date: MAY 10 2022

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

By: 

Name: Ricardo Peverini, M.D.

Title: President

Date: Mar 15, 2022

ATTEST:

Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:

Gregory P. Priamos
County Counsel

By: 
Martha Ann Knutson (Mar 15, 2022 16:10 PDT)

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: Mar 15, 2022






FPS LLUSM_Anesthesia_3rd Amd_to V 030122

Final Audit Report

2022-03-15

Created:	2022-03-15
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Third Amendment to the Agreement for Professional Medical Services (Anesthesia Services)

Final Audit Report

2022-03-15

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