



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



ITEM: 15.6
(ID # 18898)

MEETING DATE:
Tuesday, May 10, 2022

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Ratification and Approval of the First Amendment to the Agreement for Professional Medical Services with De Anza Orthopedic Medical Group, Inc. to provide Orthopedic Physician Services Effective March 1, 2022 through June 30, 2026, All Districts. [Total Amendment Cost \$1,820,000; up to \$295,144 in Additional Compensation Annually, 100% - Hospital Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the First Amendment to the Professional Medical Services Agreement with De Anza Orthopedic Medical Group, Inc. to provide Orthopedic Physician Services effective March 1, 2022 through June 30, 2026 and increase the annual contract amount by \$364,000 from \$2,587,448 to \$2,951,448 annually and authorize the Chairperson of the Board to sign the Amendment on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based upon 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%) of the total annual cost of the agreement.

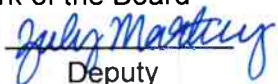
ACTION:Policy


 Jennifer Cruikshank, Chief Executive Officer – Health System 4/19/2022

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

**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	\$ 364,000	\$364,000	\$ 1,820,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$ 0
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment:	No
			For Fiscal Year: 21/22 – 25/26	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

The requested Board action will ratify and approve a First Amendment to the Agreement for Professional Medical Services with De Anza Orthopedic Medical Group to provide Advanced Care Provider staffing for orthopedic services. This Amendment will ensure that the Medical Center’s orthopedic clinic is appropriately staffed to resolve the existing staffing challenges and continue the delivery of patient care.

The current Professional Medical Services Agreement provides for seven point five (7.5) Full Time Equivalent (FTE) amount of physician services either in person or providing offsite on-call coverage. Due to an increase in patients requiring orthopedic services, the daily volume of patients seen in the Medical Center’s orthopedic clinic has increased significantly, often reaching 75 patients daily with only one attending physician and resident physicians in training available to provide care. In an effort to meet this increased demand for patient care and help efficiently provide the services needed, this First Amendment will add two (2) FTE’s of Advanced Care Providers (ACPs – Physician Assistants and Nurse Practitioners) to work in the orthopedic clinic.

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.

Additional Fiscal Information

There are sufficient funds in the Department’s budget for FY 21/22 and no additional County funds are required.

Contract History and Price Reasonableness

On June 8, 2021; Agenda item #15.1, the Board executed the Agreement For Professional Medical Services with De Anza Orthopedic Medical Group, Inc. for orthopedic services effective July 1, 2021 through June 30, 2026 with an annual maximum not to exceed \$2,587,448 per year.

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

As a result of increased patient volumes and staffing challenges, this First Amendment will increase the annual maximum amount of the Agreement by \$364,000 over the prior annual amount of \$2,587,448 to \$2,951,448. This Agreement is effective through June 30, 2026 thereby resulting in a total aggregate Amendment cost of \$1,820,000.

Board approval of this Amendment is required as it exceeds prior board approval amounts and exceeds the authority delegated to the purchasing agent to sign amendments to the compensation provisions.

ATTACHMENTS

ATTACHMENT A: THE FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL MEDICAL SERVICE WITH DE ANZA ORTHOPEDIC MEDICAL GROUP, INC. (ORTHOPEDIC SERVICES)


Suzanna Hockley, Assistant Director of Purchasing and Fleet Service

4/22/2022


Jacqueline Ruiz, Sr. Management Analyst

5/4/2022

**FIRST AMENDMENT TO THE
AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
(Orthopedic Services)**

This First Amendment to the Agreement for Professional Medical Services (Orthopedic Services) (First 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 **De Anza Orthopedic Medical Group, Inc. (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 (Orthopedic Services), approved June 8, 2021, Agenda Item Number 15.1, and effective July 1, 2021 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Orthopedic and,

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement to expand the Scope of Services and increase the maximum compensation permitted to be paid under the Agreement; and,

NOW THEREFORE, the Parties agree as follows:

1. Definitions. **Section 1.0 Definitions** is hereby amended to add the following:

"1.12 ACP(s) shall mean an Advanced Care Provider – a mid-level provider supplied by the CONTRACTOR, such as a nurse practitioner or a physician assistant."

2. Staffing. **Exhibit A. Scope of Service, Section 1.0** is hereby amended to read as follows:

"A. Provide 7.5 full-time equivalent orthopedic surgeons covering all the orthopedic subspecialties (including general, trauma, hip and joint, hand and pediatrics):

B. Provide 2 full-time equivalent ACP's for the hospital based Orthopedic clinic:

C. 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's SPECIALTY clinics and for the Department of Orthopedics. Orthopedic clinic shall be at least forty (40) hours per week."

3. Compensation. **Exhibit C. Payment Provisions, Section 1.0** is hereby deleted in its entirety and replaced with the following:

A. Subject to the conditions set forth in the Agreement, HOSPITAL shall pay CONTRACTOR an annual amount not to exceed two million nine hundred fifty-one thousand four hundred forty-eight dollars (\$2,951,448) per year, payable in monthly increments in the amount of two hundred forty-five thousand nine hundred fifty-four dollars (\$245,954).

B. 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 shall be measured by relative value units (RVUs) associated with the professional services billed by CONTRACTOR physicians. CONTRACTOR physicians will provide and bill for services representing at least 62,217 work RVUs per year. RVUs will be reported by CONTRACTOR to HOSPITAL monthly and if less than 62,217 work RVUs are provided within a twelve-month period HOSPITAL will withhold from the twelfth, twenty-fourth and third-sixth monthly payments an amount equal the percentage of RVUs not billed as follows:

$$\frac{\text{RVUs actually billed for 12 months}}{62,217 \text{ work RVUs}} \times \$862,482 = \text{amount withheld}$$

C. 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.

D. Hospital Based Clinic Services: CONTRACTOR ACP will provide and bill under this Agreement for Hospital Based Clinic Services representing at least the following expected work effort:

Hospital Based Clinic Services Expected Work Effort				
Specialty	FTE	Half Days Per Week	Expected Patient Visits Per Half Day	Expected Patient Visits Per Month
Advanced Care Provider	2.0	20	10	200

CONTRACTOR will not bill patients or third party payors for hospital based clinic services provided by the ACPs. CONTRACTOR will bill and the hospital will pay CONTRACTOR monthly, in arrears, for the half days worked in the prior month by each ACP at the rate of \$429.25 for each half day of services provided.

4. **Maximum Annual Compensation.** Exhibit C. Payment Provisions, Section 4.0 is hereby amended to read as follows:

“Maximum annual compensation payable under this Agreement to CONTRACTOR by COUNTY shall not exceed the amount of two million nine hundred fifty-one thousand four hundred forty-eight dollars (\$2,951,448).”

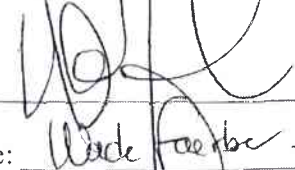
5. **Miscellaneous.** All other terms and conditions of this Agreement are to remain unchanged.
6. **Effective Date.** This First Amendment to the Agreement shall become effective upon March 1, 2022.

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

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

DE ANZA ORTHOPEDICS MEDICAL GROUP, INC.

By: 
Name: Jeff Hewitt

By: 
Name: Wade Faerber, D.O.

Title: Chair, Board of Supervisors

Title: Chair

Date: MAY 10 2022

Date: 3/11/22

ATTEST:
Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:
Gregory P. Priamos
County Counsel

By: 
Martha Ann Knutson (Mar 23, 2022 10:47 PST)

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: Mar 23, 2022