



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



ITEM: 15.4
(ID # 19910)

MEETING DATE:
Tuesday, September 13, 2022

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the Third Amendment to the Agreement for Professional Medical Services with Arrowhead Neurosurgical Medical Group, Inc. to provide Neurosurgical Services, Residency Program Supervision and Training Effective July 1, 2022 through June 30, 2023, with options to renew through June 30, 2025, All Districts. [Total Amendment Cost \$1,720,917; up to \$472,423 in Additional Compensation] 100% Hospital Enterprise Fund.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Approve the Third Amendment to the Agreement for Professional Medical Services with Arrowhead Neurosurgical Medical Group, Inc. for Neurosurgical Services, Residency Program Supervision and Training to expand the scope of services provided, and to increase the yearly maximum compensation amount by \$573,639 from \$4,150,593 to \$4,724,232 effective July 1, 2022 through June 30, 2023, with the option to renew for two additional one-year periods through June 30, 2025, and authorize the Chair 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 Crutcher, Executive Officer - Health System 8/24/2022

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Spiegel, 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: September 13, 2022
xc: RUHS

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	\$573,639	\$573,639	\$1,720,917	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 22/23-24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested board action will approve a Third Amendment which increases the number of Advanced Care Providers (ACPs) providing neurosurgery services at the Medical Center by increasing the amount of ACP services to be provided by Arrowhead Neurosurgical Medical Group. ACPs are either physician assistants or nurse practitioners with specialized background in the field of neurosurgery who will continue to perform the following tasks:

- Morning rounding on inpatients with the neurosurgery team;
- Seeing patients in the outpatient clinics;
- Communicating with patients and families before, during and after hospitalization;
- Assisting the neurosurgeons in the Operating Rooms;
- Screening consult requests for resident surgeons and faculty when they are operating;
- Providing patient and family education about impending surgeries;
- Participating in hospital nursing education about neurosurgery related topics

As attrition of resident surgeons due to graduation continues to occur, the once available twenty-two (22) physicians in training is being reduced to seven (7). This reduction has resulted in a loss of assistance that was once provided to the three (3) Attending Physicians providing neurosurgery services and impacts the efficiency of the service.

To help offset this loss of assistance and maintain the level of efficiency, this Amendment will increase amount of assistance available from Full Time Equivalents (FTEs) of ACP services from four (4) to six (6). This increase will help to maintain the current volume of neurosurgery services provided by the contracted Attending Physicians. In addition to this increase in the amount of services, this Amendment will increase the compensation per FTE for the ACP services from \$199,810 to \$220,480 in an effort to remain consistent with compensation provided in other contracts for comparable services.

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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 appropriations in the Department's FY22/23 budget. No additional County funds are required.

Contract History and Price Reasonableness

On July 12, 2016, Agenda Item #3-34, the Board approved a Professional Medical Services Agreement with Arrowhead Neurosurgical Medical Group, Inc. to provide neurosurgical services and residency program supervision and training effective July 1, 2016 for five years in the amount of \$3,351,353 per year plus an additional \$40,000 for the first year for a total amount of \$3,391,352.14.

On February 25, 2020, Agenda item #15.1, the Board approved a First Amendment to the Professional Medical Services Agreement to provide additional staffing to maintain the current level of RUHS-Medical Center neurosurgery services. This Amendment increased the total annual compensation effective January 1, 2020 by \$399,620, then increased the total annual compensation again effective July 1, 2020 by a total of \$799,240. In addition, this amendment allowed the option for the agreement to be extended through June 30, 2025 in one-year increments.

On June 3, 2021, the Purchasing Agent executed a Second Amendment and exercised the option to renew the Agreement effective July 1, 2021 through June 30, 2022.

In an effort to meet these staffing needs in a timely manner, RUHS-MC has agreed to reimburse Arrowhead up to fifty thousand (\$50,000) for amounts paid to third party recruitment firms, which may be needed to assist in the recruitment of the two (2) additional FTEs of ACP services.

As a result of increases in compensation rates, reimbursement costs and ACP staffing, this new Amendment will increase the maximum compensation amount per fiscal year by \$573,639 over the prior annual Amendment amount of \$4,150,593. This increase will amount to an annual maximum compensation of \$4,724,232.


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.

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ATTACHMENTS:

Attachment A:

THIRD AMENDMENT TO THE AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES WITH ARROWHEAD
NEUROSURGICAL MEDICAL GROUP, INC. (NEUROSURGERY
SERVICES)



Suzanna Hackley, Assistant Director of Purchasing and Fleet Service

8/29/2022



Jacqueline Ruiz, Sr. Management Analyst

9/6/2022

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

This Third Amendment to the Agreement for Professional Medical Services (Neurosurgery 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 **Arrowhead Neurosurgical Medical Group, Inc.**, a California corporation, (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 (Neurosurgery Services), approved July 12, 2016, Agenda Item Number 3-34, and effective July 1, 2016 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with professional medical services in the specialty practice of Neurosurgery (SPECIALTY);

WHEREAS, COUNTY and CONTRACTOR have entered into that certain First Amendment to the Agreement, approved February 25, 2020, Agenda Item #15.1, and effective January 1, 2020, to extend the period of performance, expand the scope of services and increase the annual contract amount (First Amendment);

WHEREAS, COUNTY and CONTRACTOR have entered into that certain Second Amendment to the Agreement, approved June 3, 2021 and effective July 1, 2021, to exercise a renewal option and extend the period of performance (Second Amendment); and

WHEREAS, COUNTY and CONTRACTOR desire to extend the period of performance, expand the scope of services and increase the annual contract amount;

NOW THEREFORE, the Parties agree as follows:

1. The first sentence of paragraph 5.1 is hereby amended to read as follows:

"This Agreement is effective July 1, 2016 through June 30, 2023, with the option to renew for two (2) additional one-year terms through June 30, 2025."

2. Scope of Services. Exhibit A, Section 1.0, Subsection B, is hereby deleted in its entirety and replaced with the following:

“1.0 CONTRACTOR STAFFING

B. It is contemplated there shall be the following positions staffed:

Services	Effective July 1, 2022	
	Total FTE	Annual RVUs
Neurosurgeons	3.0	20,835
Advanced Care Providers (ACP)	6.0	3,252
Physician Program Director (two days per week)	0.4	N/A

A full time equivalent (FTE) is agreed to be coverage at the hospital for forty-two (42) weeks per year, consisting of two operating room focused days averaging eight to ten (8-10) hours per day and three clinic focused days averaging eight (8) hours per day per FTE. It is agreed that a staffing level outlined above CONTRACTOR is responsible for staffing the HOSPITAL’s operating room and clinics for SPECIALTY services fifty-two (52) weeks per year. CONTRACTOR shall provide all SPECIALITY outpatient/clinical services, administrative duties, diagnostic procedures, consultations, supervisory duties, teaching services, inpatient care, development of treatment protocols, telehealth and supervision of SPECIALITY services provided at HOSPITAL.

Without limiting the foregoing, CONTRACTOR shall staff and provide SPECIALITY services at HOSPITAL’s SPECIALITY clinics and for the Department of Neurosurgery. 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. Payment Provisions. Exhibit C Section 1.0, Subsection A is hereby deleted in its entirety and replaced with the following:

“1.0 Compensation

A. Subject to the conditions set forth below 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 SPECIALITY services provided at HOSPITAL, and all other services contemplated by this Agreement, HOSPITAL shall pay CONTRACTOR as follows:

Service	Total Full-Time Equivalent (FTE)	Amount
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Neurosurgeons and Physician Program Director	3.4	\$3,351,352.14
Advanced Care Providers (ACP)	6.0	\$1,322,880
Total Per Fiscal Year		\$4,674,232.14

4. Reimbursement of Certain Expenses. Exhibit C Section 5.0 is hereby amended to add the following:

5.1 Reimbursement of Recruitment Fees

“Upon receipt of appropriate documentation COUNTY agrees to reimburse CONTRACTOR up to fifty thousand dollars (\$50,000) per fiscal year for amounts paid by CONTRACTOR to third party recruitment firms for the recruitment of two (2) ACPs providing neurosurgery services during fiscal years 2022-2023”.

5. Maximum Annual Compensation. Exhibit C. Section 4.0 is hereby amended to read as follows:

“Maximum annual compensation payable under this Agreement shall not exceed the amount of four million seven hundred twenty-four thousand two hundred thirty-two dollars (\$4,724,232).”

6. Miscellaneous. All other terms and conditions of this Agreement are to remain unchanged.

7. Effective Date. This Third Amendment to the Agreement shall become effective July 1, 2022.

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

Arrowhead Neurosurgical Medical Group, Inc.

By: 

By: 

Name: Jeff Hewitt

Name: Javed Siddiqi, M.D.

Title: Chair, Board of Supervisors

Title: President

Date: SEP 13 2022

Date: 7/14/2022

ATTEST:
Kecia R. Harper
Clerk of the Board

By: 
Deputy

APPROVED TO FORM:
County Counsel

By: 
Martha Ann Knutson (Jul 14, 2022 10:05 PDT)

Name: Martha Ann Knutson

Title: Deputy County Counsel

Date: Jul 14, 2022









Arrowhead_Neurosurgery_3rd Amnd_draft_V2_TO vendor_vendor sign

Final Audit Report

2022-07-14

Created:	2022-07-14
By:	Gilbert Rivera (g.rivera@ruhealth.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAlz1GrFTLmLpBlrhJVCi-ovz8YdMChp3o

"Arrowhead_Neurosurgery_3rd Amnd_draft_V2_TO vendor_vendor sign" History

-  Document created by Gilbert Rivera (g.rivera@ruhealth.org)
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-  Document e-signed by Martha Ann Knutson (mknutson@rivco.org)
Signature Date: 2022-07-14 - 11:25:24 PM GMT - Time Source: server
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