



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



ITEM: 15.1  
(ID # 22255)

**MEETING DATE:**

Tuesday, June 27, 2023

**FROM :** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER: Ratify and Approve a Third Amendment to the Professional Service Agreement with CHG Companies, Inc. dba CompHealth, to provide Physician Locum Tenens Coverage Effective June 1, 2023 through June 30, 2024, with the option to renew in one year increments through June 30, 2026. All Districts. [Total Amendment Cost \$6,710,000; and up to \$200,000 in Additional Cost per Fiscal Year] 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 CHG Companies, Inc. dba CompHealth to provide Physician Locum Tenens Coverage, to increase the annual compensation for county fiscal year 2022/2023 by \$710,000 from \$2,200,000 to \$2,910,000 through June 30, 2023, after which time the annual compensation will decrease from \$2,910,000 to \$2,000,000 per county fiscal year, extend the contract term for one additional year through June 30, 2024, with the option to renew in one year increments through June 30, 2026; 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 contract.

**ACTION:Policy**

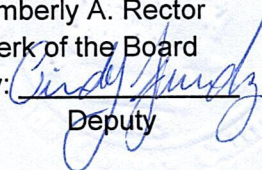
  
Kimberly A. Rector, Executive Officer - Health System 6/13/2023

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**MINUTES OF THE GOVERNING BOARD**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: June 27, 2023  
xc: RUHS-Medical Center

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy



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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$710,000	\$2,000,000	\$6,710,000	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> 100% - Hospital Enterprise Fund - 40050			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 22/23 – 25/26	

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

**BACKGROUND:**

**Summary**

The requested Board action will approve a Third Amendment to the Professional Service Agreement between Riverside University Health System – Medical Center (RUHS-MC) and CHG Companies, Inc. dba CompHealth, and will increase the compensation for the current fiscal year by \$710,000 from \$2,200,000 to \$2,910,000, after which time the maximum annual compensation per fiscal year will return to \$2,000,000, beginning July 1, 2023. This Amendment will ensure that adequate funding is in place to provide the necessary staffing of physicians through the end of this fiscal year, thereby allowing RUHS-MC the ability to meet the healthcare needs of all patients.

RUHS-MC has consistently experienced high patient volumes over the past four years, which has resulted in increased challenges maintaining appropriate levels of physician staffing within its inpatient and critical care units. This Amendment will allow RUHS-MC to continue to utilize the additional physician staffing resources made available by CompHealth to meet those challenges.

**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 August 5, 2022, the Purchasing Agent executed a Professional Services Agreement for Physician Locum Tenens Coverage with CHG Companies, Inc. dba CompHealth effective August 5, 2022 through June 30, 2023 for a maximum annual contract amount not to exceed \$700,000.

On November 29, 2022 the Board of Supervisors approved a First Amendment to the Professional Services Agreement, effective October 18, 2022 through June 30, 2023, Agenda Item #15.2, to increase the maximum annual compensation to an amount not to exceed \$2,000,000.



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On April 25, 2023, the Purchasing Agent executed a Second Amendment to the Professional Services Agreement, effective April 1, 2023 through June 30, 2023, to increase the maximum annual compensation amount by \$200,000 to an amount not to exceed \$2,200,000.

This Amendment requires Board approval as the compensation provision exceeds the Purchasing Agent's authority and the \$750,000 threshold for contracting with a single vendor for physician services per Resolution 2021-116, Agenda Item 3.22, June 15, 2021.

**ATTACHMENTS:**

**Attachment A:**      **THIRD AMENDMENT TO THE PROFESSIONAL SERVICE  
AGREEMENT WITH CHG COMPANIES, INC., DBA COMPHEALTH  
(PHYSICIAN LOCUM TENENS COVERAGE SERVICES).**

  
Meghan Hahn, Deputy Director of Procurement      6/13/2023

  
Gregg Gu, Chief Deputy County Counsel      6/13/2023



**THIRD AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT  
FOR  
PHYSICIAN LOCUM TENENS COVERAGE SERVICES  
BETWEEN  
COUNTY OF RIVERSIDE  
AND  
CHG COMPANIES, INC. DBA COMPHEALTH**

This Third Amendment to the Professional Service Agreement for Physician Locum Tenens Services ("Third Amendment") is entered into by the **County of Riverside**, a political subdivision of the State of California ("COUNTY"), on behalf of **Riverside University Health System Medical Center** ("RUHS"), and **CHG Companies, Inc. dba CompHealth**, a Delaware corporation ("CONTRACTOR"), sometimes collectively referred to as the "Parties".

**WHEREAS**, COUNTY and CONTRACTOR entered into that certain Professional Service Agreement for Physician Locum Tenens Services, executed July 1, 2022, ("Agreement"); and

**WHEREAS**, COUNTY and CONTRACTOR entered into that certain First Amendment to correct the entity name and increase the annual compensation amount to \$2,000,000 to the Agreement effective October 18, 2022; and

**WHEREAS**, COUNTY and CONTRACTOR entered into that certain Second Amendment to increase the annual compensation amount to \$2,200,000 to the Agreement effective April 1, 2023; and

**WHEREAS**, the Parties now desire to extend the period of performance increase the contract maximum amount of the Agreement;

**NOW THEREFORE**, the Parties agree as follows:

1. **Period of Performance.** Section 2.1 is hereby deleted and replaced to read as follows:

"This Agreement shall be effective upon signature of this Agreement by both parties and continues into effect through June 30<sup>th</sup>, 2024, with two (2) additional one-year renewal options through June 30, 2026 unless terminated earlier. Such renewals shall be by execution of a written amendment extending the term. CONTRACTOR shall commence performance upon signature of this Amendment by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement."


2. **Compensation.** The second sentence of subsection 3.1 of Section 3. Compensation is hereby deleted in its entirety and replaced with the following:

"Maximum compensation payable under this Agreement by COUNTY to CONTRACTOR shall not exceed two million and nine hundred ten thousand dollars (\$2,910,000) annually (per County fiscal year), including all expenses until June 30, 2023; thereafter, compensation payable under this agreement by COUNTY to COUNTRACTOR shall not exceed two million dollars (\$2,000,000) annually (per County fiscal year) effective July 1, 2023."

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 Third Amendment to the Agreement shall become effective June 1, 2023.

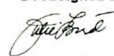
**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to execute this Third Amendment.

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

By:   
**EVVIN JEFFRIES**  
Chairman, Board of Supervisors

Date: 6/27/23

**CHG Companies, Inc., dba CompHealth**,  
a Delaware corporation

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By:   
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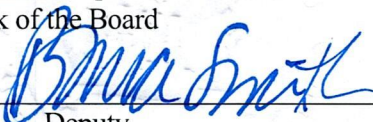
Name: Julie Bird

Title: Manager, Data and Contracts

Date: 05/23/2023

JDE 87519

**ATTEST:**  
**KIMBERLY A. RECTOR RIES**  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**

County Counsel

**FRIES**  
By: Gregg Gu  
Gregg Gu  
Chief Deputy County Counsel

Date: May 23, 2023