



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



ITEM: 15.1
(ID # 24842)

MEETING DATE:
Tuesday, May 21, 2024

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratify and Approve the Seventh Amendment to the Professional Service Agreement with AE & ASSOCIATES LLC for Consultation Services – Coding and Auditing Services Effective July 1, 2023 through June 30, 2025, All Districts. [Total Amendment Cost \$1,000,000, up to \$100,000 in additional compensation, 100% Hospital Enterprise Fund 40050]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Approve the Seventh Amendment to the Professional Service Agreement with AE & Associates LLC for Consultation Services – Coding and Auditing Services to increase the annual maximum compensation amount by \$500,000 from \$1,574,000 to \$2,074,000 July 1, 2023 through June 30, 2024 and increase the annual maximum compensation amount by an additional \$500,000 from \$2,074,000 to \$2,574,000 beginning July 1, 2024 through the current termination date of 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 as to form by County Counsel, (a) issue a Purchase Order for any goods and/or services that are rendered (b) to sign Amendments that exercise the options of the agreement including modifications to the scope of services that stay within the intent of the agreement (c) to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the total annual cost of the agreement.

ACTION:Policy

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Gutierrez, 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 Gutierrez
Nays: None
Absent: None
Date: May 21, 2024
xc: RUHS-Medical Center

Kimberly A. Rector
Clerk of the Board
By: Naomy Li
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$500,000	\$500,000	\$1,000,000	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: 100% Hospital Enterprise Fund Fund-40050			Budget Adjustment: No	
			For Fiscal Year: 23/24 - 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action would approve a Seventh Amendment to the Professional Service Agreement with AE & Associates LLC to increase the annual maximum compensation, thereby allowing for additional staffing for auditing and coding services. AE & Associates LLC currently provides coding services for the RUHS Medical Center, RUHS Community Health Centers and the RUHS Behavioral Health clinic -- Arlington campus.

The Health Information Management department is currently experiencing an increased workflow for inpatient, outpatient, and Emergency Room (ER) visits. Having additional contract coders helps to ensure that coding will be completed within five (5) days of a patient's discharge.

The census has been higher than normal and with RUHS's current staffing challenges, this has led to an increased need for auditing and coding services. An increased daily bill hold that is not timely paid may result in missed filing deadlines, resulting in possible fees or risk of loss of payment for services. Currently, RUHS is recruiting for vacant staff positions for Clinical Documentation Improvement (CDI) and certified coders due to retention; and additional contract support needs to keep up the Discharged Not Final Billed (DNFB) vacancies.

This Amendment would allow for increases in the staffing for coding services obtained from AE & Associates LLC, which would help to offset the current RUHS staffing challenges due to holidays, increased census, and will assist with unexpected coding assignments that are needed.

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.

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Additional Fiscal Information

There are sufficient appropriations in the Hospital Enterprise Fund and the Behavioral Health Department's FY23/24 budget. No additional County funds are required.

Contract History and Price Reasonableness

On June 8, 2020, utilizing Resolution No. 2019-147, entered into an Agreement with AE & Associates to provide Consulting Services – Coding and Auditing Services effective July 1, 2020, through June 30, 2021, with option to renew for four additional one-year periods, in the amount of \$100,000.

First Amendment was executed on January 21, 2021, to expand the scope of services and increase the maximum annual compensation to \$199,000 for experienced Documentation Improvement professional and educator to conduct audits on RUHS Clinic's and Community Health Centers. This item did not require to go to the board for approval due to this request falls under direct patient care (Resolution No.2019-147).

Second Amendment was executed on March 24, 2021, to extend the period of performance through June 30, 2025, the contracts limits had been met; increasing the maximum annual compensation to \$349,000 to cover for additional RUHS Coding staff working overtime to manage the increased workflow from COVID patients and this item did not require to go to the board for approval due to this request falls under direct patient care (Resolution No.2019-147).

Third Amendment was executed on October 18, 2021, to increase the annual maximum compensation to \$549,000 from the loss of staff from the COVID pandemic and to secure additional contract coders to meet the high demand and this item did not require to go to the board for approval due to this request falls under direct patient care (Resolution No.2021-116).

Fourth Amendment was executed on March 24, 2022, to increase the annual maximum compensation to \$699,000 unable to recruit during COVID pandemic and RUHS coding increased workflow from influx and additional contract coders and this item did not require to go to the board for approval due to this request falls under direct patient care (Resolution No. 2021-116).

Fifth Amendment was approved by the Board on October 4, 2022, MT ID# 20117, Agenda (15.1) to increase the maximum annual compensation amount to \$1,074,000.

Sixth Amendment was approved by the Board on May 2, 2023, MT ID# 21647, Agenda (15.2) to increase the maximum annual compensation amount to \$1,574,000.

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The proposed Amendment requires the Board to ratify and approve as the compensation provision exceeds the Purchasing Agent's authority and \$750,000 threshold for contracting with a single vendor per Resolution 2021-116.

ATTACHMENT:

Attachment A. Seventh Amendment to the Professional Service Agreement with AE & ASSOCIATES LLC for Consultation Services – Coding and Auditing Services

Jacqueline Ruiz

Jacqueline Ruiz, Principal Analyst

5/13/2024

Gregg Gu

Gregg Gu, Chief Deputy County Counsel

5/2/2024

**SEVENTH AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR
CONSULTATION SERVICES-CODING AND AUDITING SERVICES-HIM DEPARTMENT
BETWEEN COUNTY OF RIVERSIDE AND AE & ASSOCIATES LLC.**

This Seventh Amendment to the Professional Services Agreement for Consultation Services Coding and Auditing Services-HIM Department, (herein referred to as "Seventh 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 AE & ASSOCIATES 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 Consultation Services - Coding and Auditing Services – HIM Department, executed June 8, 2020 and effective July 1, 2020, (herein referred to as "Agreement"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain First Amendment to the Agreement, executed January 21, 2021 and effective November 1, 2020, to increase the maximum annual compensation amount and add new auditing services (herein referred to as "First Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Second Amendment to the Agreement, executed March 24, 2021 and effective February 1, 2021, to increase the maximum annual compensation amount and extend the Period of Performance (herein referred to as "Second Amendment") and;

WHEREAS, COUNTY and CONTRACTOR entered into that certain Third Amendment to the Agreement, executed October 18, 2021 and effective October 1, 2021 and effective October 1, 2021, to increase the maximum annual compensation amount (herein referred to as "Third Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Fourth Amendment to the Agreement executed March 24, 2022 and effective February 3, 2022, to increase the maximum annual compensation amount (herein referred to as "Fourth Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Fifth Amendment to the Agreement, executed October 4, 2022 and effective July 1, 2022, to increase the maximum annual compensation amount (herein referred to as "Fifth Amendment"); and

WHEREAS, COUNTY and CONTRACTOR entered into that certain Sixth Amendment to the Agreement, executed May 2, 2023, and effective May 2, 2023, to increase the maximum annual compensation amount (herein referred to as "Sixth Amendment"); and

WHEREAS, COUNTY and CONTRACTOR desires to amend the Agreement to increase the maximum annual compensation amount;

NOW THEREFORE, the Parties agree as follows:

1. **Compensation.** The second sentence of Subsection 3.1 of Section 3. Compensation is hereby amended to increase the maximum annual compensation amount by five hundred thousand dollars (\$500,000) beginning July 1, 2023 through June 30, 2024, from one million five hundred seventy-four thousand dollars (\$1,574,000) annually to two million seventy-four thousand dollars (\$2,074,000) annually and increase the maximum annual compensation amount by an additional five hundred thousand dollars (\$500,000) beginning July 1, 2024 through June 30, 2025 from two million seventy-four thousand dollars (\$2,074,000) annually to two million five hundred seventy-four thousand dollars (\$2,574,000) annually, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed two million seventy-four thousand dollars (\$2,074,000) annually from July 1, 2023 through June 30, 2024 and shall not exceed two million five hundred seventy-four thousand dollars (\$2,574,000) annually from July 1, 2024 through June 30, 2025, including all expenses.”

2. **Exhibit B.** Section 4.0 of Exhibit B, PAYMENT PROVISIONS, is hereby amended to increase the maximum annual compensation amount by five hundred thousand dollars (\$500,000) beginning July 1, 2023 through June 30, 2024, from one million five hundred seventy-four thousand dollars (\$1,574,000) annually to two million seventy-four thousand dollars (\$2,074,000) and increase the maximum annual compensation amount by an additional five hundred thousand dollars (\$500,000) beginning July 1, 2024 through June 30, 2025 from two million seventy-four thousand dollars (\$2,074,000) annually to two million five hundred seventy-four thousand dollars (\$2,574,000) annually, as follows:

“Maximum payments by COUNTY to CONTRACTOR shall not exceed the amount of two million seventy-four thousand dollars (\$2,074,000) annually from July 1, 2023 through June 30, 2024 and shall not exceed two million five hundred seventy-four thousand dollars (\$2,574,000) annually from July 1, 2024 through June 30, 2025, including all expenses.”

3. **Miscellaneous.** All other terms and conditions of this Agreement not modified herein shall are to remain unchanged and in full force and effect.
4. **Effective Date.** This Seventh Amendment to the Agreement shall become July 1, 2023.

[Signature Page Follows]

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

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

AE & ASSOCIATES LLC, a California limited liability company

By: Chuck Washington

By: Arnold T. Ardevela

Name: **CHUCK WASHINGTON**

Name: Arnold T. Ardevela

Title: Chair, Board of Supervisors

Title: President/CEO

Date: 5/21/2024

Date: 4/13/24

ATTEST:

Kimberly Rector
Clerk of the Board

By: Naomy Li
Deputy

APPROVED TO FORM:

Minh C. Tran
County Counsel

By: Gregg Gu

Name: Gregg Gu

By: Chief Deputy County Counsel

Date: Apr 16, 2024