

**AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN RDS CONSULTING, LLC AND
NATIVIDAD MEDICAL CENTER
FOR
DIAGNOSIS RELATED GROUP (DRG) TRANSFER SERVICES PLUS RELATED CONSULTING
SERVICES**

This Amendment No. 2 to the Services Agreement ("Agreement"), dated April 1, 2014 is entered into by and between the County of Monterey, on behalf of **Natividad Medical Center (hereinafter "NMC")**, and **RDS Consulting, LLC, (hereinafter "CONTRACTOR")**, with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for CONTRACTOR to provide DRG Transfer Services and related Consulting services for NMC with a two year term and a total Agreement amount not to exceed \$80,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement to update the Scope of Services, extend the term of the Agreement, and increase the total amount by an additional \$20,000 for a revised total amount not to exceed \$100,000 via Amendment No. 1; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional two (2) year period through March 31, 2018 and adding an additional \$100,000 for a revised total Agreement amount not to exceed \$200,000.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

The Agreement is hereby amended on the terms and conditions as set forth in the Agreement except as specifically set forth below.

1. Paragraph titled "PAYMENTS BY NMC" shall be amended to the following;
"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A-2 attached to Amendment No. 2, subject to limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$200,000".
2. Paragraph titled "TERM OF AGREEMENT", first sentence shall be amended to the following;
"The term of this Agreement is April 1, 2014 through March 31, 2018 unless sooner terminated pursuant to this Agreement".
3. Paragraph titled "SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following;
**"The following attachments/exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A-2 Revised per Amendment No. 2
Business Associates Agreement attached to Amendment No. 1"**
4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and of Amendment No. 1 are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect.

5. A copy of this Amendment No. 2 shall be attached to the Original Agreement.
6. The effective date of this Amendment No. 2 is upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

Natividad Medical Center

By: _____
Gary R. Gray, DO, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: Jay Saetta
Monterey County Deputy County Counsel

Date: 2/5, 2016

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Monterey County Deputy Auditor/Controller

Date: 2/6/16

CONTRACTOR

RDS Consulting, LLC
CONTRACTOR's Business Name* (see instructions)**

[Signature]
Signature of Chair, President, or Vice-President

MICHAEL HIGGINS MANAGING MEMBER
Name and Title

Date: 1/26/2016

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Name and Title

Date: _____

*****Instructions**
If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).
If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).
If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)

Revised Scope of Work/Payment Provision

I. Description of All Services to be rendered by CONTRACTOR:

RDS Consulting, LLC Provides consulting services in all areas of the revenue cycle process including identifying and assisting NMC with its reimbursement opportunities in Medicare and Medi-Cal cost reports, review of claims denied by all payers, review of charge master, and review of claims paid. RDS Consulting also provides DRG Transfer services; "Transfer DRGs" are a short-cut term for the post acute transfer (PACT) policy of Medicare. Hospitals are paid for acute inpatient care of Medicare patients on the basis of diagnosis related groups (DRGs). For some DRGs, special rules have been created for patients who are discharged immediately following their hospitalization to a rehab hospital, skilled nursing facility, a long-term care hospital or home health care. These DRGs are what we call "Transfer DRGs."

II. CONTRACTOR Obligations:

Scope of Services

CONTRACTOR shall be responsible for all deliverables and Services stated below.

- a. CONTRACTOR shall load all data received from Client into CONTRACTOR systems.
- b. CONTRACTOR shall analyze data and identify specific accounts where additional reimbursement is due.
- c. CONTRACTOR shall provide a detailed listing of claims that were found to have been erroneously billed with a transfer disposition code that can be rebilled with a corrected discharge disposition code.
- d. CONTRACTOR shall work with Client to make sure all accounts where additional revenue is due are billed/appealed appropriately and fully collected.
- e. CONTRACTOR shall meet with Client to review the reports.
- f. When providing services, CONTRACTOR shall not participate in any practice such as avoiding or disregarding Client compliance policies, adopting an unreasonable interpretation of law or engaging in inappropriate medical coding.
- g. Medicare and Medicaid Reimbursement Consulting Services – This includes.
 - Preparation, review, validation of the Medicare and MediCal cost report.
 - Projections and forecasting regarding changes in services at NMC and or changes in Medicare / Medicaid regulations.
- h. Review and assistance regarding Medicare Disproportionate Share Hospital ("DSH") reimbursement.
 - Review and assistance regarding MediCal DSH reimbursement
 - Review of Denials - This includes all payors in addition to our Medicare and MediCal denial review. We review all denied claims for potential recovery for all payors. Denials of claims are due to many reasons. We will review and categorize all denials in order to follow up with the payor in order to understand the denial and to assist with its recovery.
- i. Revenue Cycle Review – We will review the processes from admission to billing and discharge to ensure that all charges are captured and payments are correct, including but not limited to.

REVISED EXHIBIT A-2 PER AMENDMENT NO.2

- Post-Acute Care Transfer Review (“PACT”) – We review all Medicare discharges to ensure Medicare has paid the correct amount.
- Medicare and Medi-Medi bad debts - Ensure that the claim on the Medicare cost report is accurate and in accordance with the regulations.

III. NMC Obligations:

NMC shall be responsible for providing CONTRACTOR with the necessary information to complete the assigned project. The timelines for needed data will be detailed in the engagement letter. NMC will also be responsible for providing adequate work space in the event RDS needs to be on site, including internet access, copy machine, a desk and other reasonable supplies in order to ensure the satisfactory completion of the project.

- NMC shall pay an amount not to exceed \$200,000 for the implementation of work set forth in the Scope of Services.
- Detailed Medicare PS&R in electronic format for dates of service 01/01/2009 through the effective date of this agreement.
- NPI #
- PTAN #
- Tax ID #(last 5 digits)
- Access ID's for systems (System for Billing and PFS)
- Names and phone numbers of the receiving SNF, HHA, Psych or other facility to which the discharge occurred.
- Confirm the FIIMAC (Palmetto, WPS, etc.)
- Facility Submitter ID# and approval to use ID# to access Medicare common working file
- Post-acute care contact information for each claim as requested by CONTRACTOR.
- Provide a user name and access to the Direct Data Entry (DOE) system. k) Provider user name and access to case management system.
- Respond to questions and or issues that arise in the performance of PACT review services.
- Rebill all claims through the DOE for claims within the one-year timely filing limit and through the claims reopening process for claims outside of the one-year timely filing limit.
- Notify CONTRACTOR weekly when claims recommended for rebilling have been processed or denied.

IV. Pricing/Fees:

- A majority of CONTRACTOR projects are contingency-based where we will only invoice in the event of additional quantifiable results found as a result of our work. Contingency fees are negotiable, depending on the project, and will be defined and agreed to prior to commencing any project(s).
- In the event of hourly services, our fees are \$210 per hour.
There is no sales tax related to our projects.
- Travel is not necessary however on some projects it would be necessary to come on site and access systems otherwise not available remotely.

V. In the event of travel, the following clause shall apply;

- County and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at www.co.monterey.ca.us/auditor/policies.htm to receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.
- CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.
- CONTRACTOR payment shall be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.
- County shall, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.
- No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.