

**..Title**

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with Annuity Health, LLC for denial process, software support and consulting services at NMC for an amount not to exceed \$485,000 with an agreement term June 1, 2020 through May 31, 2021
  
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement, which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$48,500) of the original cost of the agreement.

**..Report**

**RECOMMENDATION:**

**It is recommended the Board of Supervisors:**

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with Annuity Health, LLC for denial process, software support and consulting services at NMC for an amount not to exceed \$485,000 with an agreement term June 1, 2020 through May 31, 2021
  
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the agreement, which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) (\$48,500) of the original cost of the agreement.

**SUMMARY/DISCUSSION:**

Denial management is an important strategy to achieve a successful revenue cycle performance to enhance and recover significant revenue that would otherwise be lost. Annuity Health, LLC will assist in the development and implementation of a denial management structure; assist in the selection of denial technology, develop denial prevention strategies and processes, develop internal governance, and project management support.

It is crucial to have a clear understanding of denials to prioritize, track performance, and identify opportunities for improvement. Annuity Health, LLC will help in identifying trends leading to denial and prevent future denial. Having a denial management program will assist in efficiency and identify areas and elements that would be most crucial to Natividad's financial success. These efforts will increase Natividad's available resources to support all areas within the organization.

**OTHER AGENCY INVOLVEMENT:**

The Office of County Counsel has reviewed and approved this agreement as to form, and the

Auditor-Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee on March 26, 2020, and by its Board of Trustees on April 10, 2020.

**FINANCING:**

The cost for this agreement is \$485,000 of which is included in the Fiscal Year 2020-21 Recommended Budget.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The services rendered in this agreement provide NMC with the additional support it needs to be able to provide reliable and quality patient care, which improves the health and quality of life for patients and their families.

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Karen Friedrich, Administration, 783-2556

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2553

Attachments:

Annuity Health, LLC Agreement

Attachments on file with the Clerk of the Board