



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers

168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: A 24-429**

**September 10, 2024**

**Introduced:** 8/23/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding \$2,700,000 for a revised total aggregate amount for all contracts not to exceed \$12,970,000.

### **RECOMMENDATION:**

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

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding \$2,700,000 for a revised total aggregate amount for all contracts not to exceed \$12,970,000.

### **SUMMARY/DISCUSSION:**

Natividad Medical Center utilizes two outside contractors, per RFP 9600-64 to collect on Natividad Medical Center's self-pay patients and bad debt collections. The contractor shall receive four (4) daily data files of all self-pay patients from Natividad Medical Center's Meditech system. With this information, the contractors will be responsible to send three (3) collection notices to the patient within a 150-day time-frame requesting payment. The contractors are responsible for arranging and setting up a payment plan for services incurred at Natividad Medical Center. If there is no response, the patients account is put into a bad debt collection for further collection efforts. Liens are applied as appropriate.

Payment is based on the amount of debt collected and is, therefore, an unknown, so the agreement documents themselves do not state a total agreement amount specifically. Natividad Medical Center is requesting an increased aggregate dollar limit for both agreements not to exceed \$12,970,000 which

reflects an estimated amount Natividad Medical Center might pay for debt collection fees through June 30, 2025.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this amendment No. 7 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment is scheduled to be reviewed by Natividad Medical Center's Finance Committee and Board of Trustees on October 11, 2024, after the Board of Supervisors' consideration of this Amendment at its September 10, 2024 meeting. Seeking Board of Supervisors approval first was necessary in order to prevent a gap in services.

**FINANCING:**

The cost for this amendment No. 7 is \$2,700,000 of which \$750,000 is included in the Fiscal Year 2024-25 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-6613.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

The Debt Collection Services agreements give Natividad Medical Center the ability to collect patient's monetary responsibilities for the services they have incurred at Natividad Medical Center and place liens as appropriate.

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

Prepared by: Tracy Short, Director of Patient Financial Services, 783-2347

Approved by: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:

- Receivable Solutions, Inc. Amendment No. 7
- Credit Consulting Services, Inc. Amendment No. 7
- Receivable Solutions, Inc. Amendment No. 6
- Credit Consulting Services, Inc. Amendment No. 6
- Receivable Solutions, Inc. Renewal & Amendment No. 5
- Credit Consulting Services, Inc. Renewal & Amendment No. 5
- Receivable Solutions, Inc. Amendment No. 4
- Credit Consulting Services, Inc. Amendment No. 4
- Receivable Solutions, Inc. Amendment No. 3

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Credit Consulting Services, Inc. Amendment No. 3  
Receivable Solutions, Inc. Amendment No. 2  
Credit Consulting Services, Inc. Amendment No. 2  
Receivable Solutions, Inc. Amendment No. 1  
Credit Consulting Services, Inc. Amendment No. 1  
Receivable Solutions, Inc. Agreement  
Credit Consulting Services, Inc. Agreement

Attachments on file with the Clerk of the Board

DocuSigned by:

*Andrea Rosenberg*

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Assistant Administrator

8/30/2024 | 11:37 AM PDT