



County of Monterey

Item No.33

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 26-312

July 07, 2026

Introduced: 6/25/2026

Current Status: Natividad Medical Center -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a nonstandard retroactive agreement with R1 RCM Holdco, Inc for billing and appeal process services at NMC for a maximum County obligation of \$200,000 for the term of May 15, 2026 through May 14, 2028; and
- b. Authorize the Interim Chief Executive Officer for Natividad Medical Center or a designee to execute up to three (3) future amendments that do not in total exceed 10% (\$20,000) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$220,000; and
- c. Approve the NMC's Interim Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement; and
- d. Approve the NMC's Interim Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the Business Associates Agreement, in substantially the same form as that which has been presented to the Board without significant change to its content, and subject to further review by and approval of County Counsel.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Interim Chief Executive Officer for Natividad Medical Center (NMC) or a designee to execute a nonstandard retroactive agreement with R1 RCM Holdco, Inc for billing and appeal process services at NMC for a maximum County obligation of \$200,000 for the term of May 15, 2026 through May 14, 2028; and
- b. Authorize the Interim Chief Executive Officer for Natividad Medical Center or a designee to execute up to three (3) future amendments that do not in total exceed 10% (\$20,000) of the original agreement, do not significantly change the scope of services, and do not increase the total not to exceed amount over \$220,000; and
- c. Approve the NMC's Interim Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the agreement; and
- d. Approve the NMC's Interim Chief Executive Officer's recommendation to accept non-standard indemnification, insurance, limitations on liability, and limitations on damages provisions within the

Business Associates Agreement, in substantially the same form as that which has been presented to the Board without significant change to its content, and subject to further review by and approval of County Counsel.

SUMMARY:

R1 RCM is a leading provider of technology-enabled Revenue Cycle Management services for hospitals, health systems, and physician groups. The company specializes in managing the end-to-end financial processes that occur from the time a patient first seeks medical services until the final payment is collected.

DISCUSSION

R1 will provide Natividad Medical Center with comprehensive claims denial management services. R1's scope of work includes conducting thorough reviews of claim denials to determine their clinical and administrative appropriateness based on payer requirements. Furthermore, R1 will prepare and submit formal responses to these denials, seeking resolution to secure appropriate reimbursement for all services provided.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this agreement to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement will be reviewed and approved by NMC's Finance Committee and by its Board of Trustees on August 7, 2026.

FINANCING:

The cost for this agreement is \$200,000 of which \$50,000 which is included in the FY 2025-26 Recommended/Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact on the General Fund with this action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS SECTION:

The services rendered in this agreement provide support for the efficient utilization management of resources and billing compliance at Natividad.

- Well-Being and Quality of Life
- Sustainable Infrastructure for Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy
- Administrative

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561

Approved by: Nancy Buscher, Interim Chief Executive Officer, 783-2560

Attachment(s):

Board Report

Business Associates Agreement (BAA)

R1 RCM Holdco, Inc. Original Agreement

Attachments on file with the Clerk of the Board