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File #:	A 18-278	Name:	Toyon Associate Inc Amendment No. 1
Type:	BoS Agreement	Status:	Consent Agenda
File created:	6/8/2018	In control:	Board of Supervisors
On agenda:	6/26/2018	Final action:	

**Title:** a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-13111) with Toyon Associate Inc. for 1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting services, extending the agreement an additional three (3) year period (July 1, 2018 through June 30, 2021) for a revised full agreement term of July 1, 2015 through June 30, 2021, and adding \$1,000,000 for a revised total agreement amount not to exceed \$2,000,000; and 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 m...

**Attachments:** 1. [Board Report.pdf](#), 2. [Toyon Associate Inc. Amendment No. 1.pdf](#), 3. [Toyon Associate Inc BAA.pdf](#), 4. [Toyon Associate Inc. Agreement.pdf](#), 5. [22. Completed Board Order](#)

[History \(0\)](#)
[Board Report](#)

**Title**

a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-13111) with Toyon Associate Inc. for 1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting services, extending the agreement an additional three (3) year period (July 1, 2018 through June 30, 2021) for a revised full agreement term of July 1, 2015 through June 30, 2021, and adding \$1,000,000 for a revised total agreement amount not to exceed \$2,000,000; and 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%) (\$100,000) of the original cost of the agreement per each amendment.

**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 amendment No. 1 to the agreement (A-13111) with Toyon Associate Inc. for 1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting services, extending the agreement an additional three (3) year period (July 1, 2018 through June 30, 2021) for a revised full agreement term of July 1, 2015 through June 30, 2021, and adding \$1,000,000 for a revised total agreement amount not to exceed \$2,000,000

- 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%) (\$100,000) of the original cost of the agreement per each amendment.

**SUMMARY/DISCUSSION:**

Toyon Associates Inc. provides expert services in areas of reimbursement from state and federal government. Their consulting services includes preparation of state's Medi-Cal cost reports, federal Medicare cost report, special supplemental cost reports (P-14) to the state, state's Short Doyle cost reports and annual state's OSHPD reports. Toyon provides assistance in representing Natividad Medical Center during scheduled audits and appeals for all state and federal cost and supplemental reports. Toyon provides strategic assistance on reimbursement issues related to Disproportionate Share, Realignment, Bad Debts, Waiver funding and programs and other reimbursement related initiatives particular to safety net provider (public) hospitals.

Toyon Associates Inc. will continue to provide NMC with the services described above including pursuing reimbursable cost available on previously reported years which are available to Monterey County Health System. This is an ongoing process between provider (NMC), State and Federal Government.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment No. 1 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on May 24, 2018 and by its Board of Trustees on June 1, 2018.

**FINANCING:**

The cost for this Amendment No. 1 is \$1,000,000 of which \$300,000 which is included in the Fiscal Year 2018-19 Recommended Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This agreement is for specialized consulting services, the outcome of which will contribute to retaining or maximizing the financing of public health care services by Monterey County.

The services rendered in this agreement provide NMC with the reimbursement expertise that allows for the improvement of financing options under State and Federal regulations, resulting in higher quality of patient care for the families in Monterey County.

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

Prepared by: Juan Polanco Chief Hospital Accountant, 831-783-2372  
 Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:  
 Toyon Associate Inc. Amendment No.1  
 Toyon BAA  
 Toyon Associate Inc. Agreement

Attachments on file with the Clerk of the Board



## Monterey County Board of Supervisors

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

**Agreement No.: A-13111, Amendment No. 1**

Upon motion of Supervisor Adams, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

- a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-13111) with Toyon Associate Inc. for 1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting services, extending the agreement an additional three (3) year period (July 1, 2018 through June 30, 2021) for a revised full agreement term of July 1, 2015 through June 30, 2021, and adding \$1,000,000 for a revised total agreement amount not to exceed \$2,000,000; and
- b. Authorized 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%) (\$100,000) of the original cost of the agreement per each amendment.

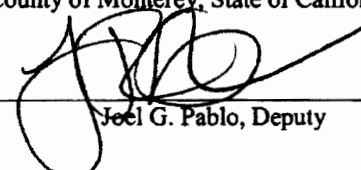
PASSED AND ADOPTED on this 26th day of June 2018, by the following vote, to wit:

AYES: Supervisors Alejo, Salinas, Phillips, Parker and Adams  
NOES: None  
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting June 26, 2018.

Dated: June 28, 2018  
File ID: A 18-278

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California

  
Joel G. Pablo, Deputy

**AMENDMENT NO. 1  
TO SERVICES AGREEMENT  
BETWEEN Toyon Associate Inc. AND  
NATIVIDAD MEDICAL CENTER  
FOR**

**1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting Services.**

This Amendment No. 1 to the Services Agreement ("Agreement") which was effective on July 1, 2015 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Toyon Associate Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

**RECITALS**

**WHEREAS**, the Agreement was executed for 1. Rural Floor Budget Neutrality Appeals Services; and 2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and 3. Medicare /Medi-Cal Appeals Services; and 4. OSHPD Report Preparation Services; and 5. Medical Eligible Day Services (POA/Historical); and 6. Medicare/Medi-Cal/Short Doyle Cost report Preparation Services, and 7. Consulting Services and with a term July 1, 2015 through June 30, 2018 and a total Agreement amount not to exceed \$1,000,000; and

**WHEREAS**, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional three (3) year period through June 30, 2021 and to replace "Schedule A-7 Hourly Rates" attached to Original Agreement with "Exhibit A-1 Hourly Rates per Amendment No. 1" attached to Amendment No. 1 with an increase of \$1,000,000, thereby increasing the total Agreement amount of \$2,000,000.

**AGREEMENT**

**NOW, THEREFORE**, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No 1, incorporated herein by this reference, except as specifically set forth below.

1. Section 2 / 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-1 Hourly Rate per Amendment No. 1". The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$2,000,000."*
2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:  
*"The term of this Agreement is from July 1, 2015 through June 30, 2021 unless sooner terminated pursuant to the terms of this Agreement."*

3. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 1 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1.
- 4.
5. A copy of this Amendment No. 1 shall be attached to the Original Agreement.
6. This Amendment No. 1 shall be effective when July 1, 2018

*The remainder of this page was intentionally left blank.*

*~ Signature page to follow ~*

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 1 on the basis set forth in this document and have executed this Amendment No. 1 on the day and year set forth herein.

**NATIVIDAD MEDICAL CENTER**

By:   
Gary R. Gray, DO, CEO


Date: 7/5/18

**APPROVED AS TO LEGAL PROVISIONS**

By:   
Monterey County Deputy County Counsel

Date: 6-6-18

**APPROVED AS TO FISCAL PROVISIONS**

By:   
Monterey County Deputy Auditor/Controller

Date: 6-7-18

**CONTRACTOR**

Toyon Associate Inc.

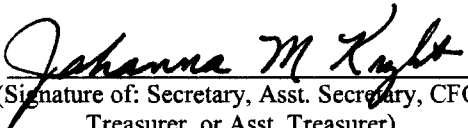
**CONTRACTOR's Business Name**

\*\*\*See instructions below\*\*\*

By:   
(Signature of: Chair, President, or Vice-President)

Thomas P. Knight, President  
Name and Title

Date: 5/22/18

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

Johanna M. Knight, Secretary  
Name and Title

Date: 5/22/18

**\*\*\*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 an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

**SCHEDULE A-1 per Amendment No. 1**  
**Toyon Hourly Rates by Position**

<b>TITLE</b>	<b>Eff. 7/1/2018 HOURLY RATES</b>	<b>Eff. 7/1/2019 HOURLY RATES</b>	<b>Eff. 7/1/2020 HOURLY RATES</b>
President	\$ 400	410	420
Executive Vice President	\$ 400	410	420
Vice President	\$ 325	335	345
Executive Director	\$ 315	325	335
Senior Director	\$ 285	295	305
Senior Manager	\$ 260	265	275
Director	\$ 240	245	250
Manager	\$ 230	235	240
Asst. Director	\$ 230	235	240
Senior Consultants	\$ 210	215	220
Consultants	\$ 185	190	195
Senior Analysts	\$ 135	140	145
Analysts	\$ 115	120	125
Administrative Support	\$ 95	100	105
<b>Programming Staff</b>			
Manager Systems Development	\$ 210	215	220
Systems Programmer	\$ 185	190	195
Programmer Analyst	\$ 135	140	145