



Monterey County

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Board Report

Legistar File Number: A 18-278

June 26, 2018

Introduced: 6/8/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- 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.

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