



Legislation Details (With Board Report)

File #: A 12-032 **Name:** Toyon (Medicare Appeal) FY12-13
Type: BoS Agreement **Status:** Passed
File created: 4/16/2012 **In control:** Board of Supervisors
On agenda: 5/8/2012 **Final action:** 5/8/2012

Title: Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. Five to the Agreement (A-10757) with Toyon Associates Inc for Medicare Appeal Services at NMC, extending the Agreement to June 30, 2013 and adding \$500,000 for a revised total Agreement amount not to exceed \$2,400,000 in the aggregate.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Toyon (Medicare Appeal), 2. Board Order A 12-032

Date	Ver.	Action By	Action	Result
5/8/2012	1	Board of Supervisors	approved	

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. Five to the Agreement (A-10757) with Toyon Associates Inc for Medicare Appeal Services at NMC, extending the Agreement to June 30, 2013 and adding \$500,000 for a revised total Agreement amount not to exceed \$2,400,000 in the aggregate.

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. Five to the Agreement (A-10757) with Toyon Associates Inc for Medicare Appeal Services at NMC, extending the Agreement to June 30, 2013 and adding \$500,000 for a revised total Agreement amount not to exceed \$2,400,000 in the aggregate.

SUMMARY/DISCUSSION:

The Medicare/Medi-Cal Programs have established procedures which providers of healthcare services must follow to pursue appeals of cost report audit adjustments. Toyon Associates, Inc. has the expertise to pursue cost report appeals and/or reopening on behalf of the hospital. Typical issues in dispute are Disproportionate Share Hospital (DSH) eligible days, Social Security Ratio, DSH General Assistant days for interns and residents, labor and delivery room charges and bad debts. These issues, especially DSH eligible days, represent significant reimbursement. These are comprehensive reports that include the financial information of the hospital and require special training and experience to complete. Toyon Associates has provided these services over the past ten years for NMC and successfully recovered over \$2.M during current Fiscal Year 2011 through 2012.

Toyon Associates, Inc will review and file an appeal within 180 calendar days of the final report date to contest certain issues in dispute. This agreement covers cost reporting for Fiscal Years June 30, 1994 through June 30, 2011 Toyon will evaluate and provide data to the intermediaries to support NMC's position of the disputed issues. The services provided meet all procedural requirements and legal guidelines. Estimated annual reimbursement impact of the intermediary's adjustment is from \$50K to \$1M. Payment for services is based on a contingency of 25% of the additional reimbursement realized by NMC.

The recommendation is that the Board of Supervisors authorize the Purchasing Manager for NMC to execute amendment #5 with Toyon Associates Inc. for services rendered per the existing Agreement for Medicare Appeal Services.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Amendment is \$500,000 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Chuck Vold, Hospital Controller, 783-2373

Approved by: Harry Weis, Chief Executive Officer, 783-2124

Attachments: Agreement, Amendments 1, 2, 3, 4 and 5