



County of Monterey

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

Board Report

File #: A 20-336, **Version:** 1

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 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 one (1) year (October 1, 2020 through September 30, 2021) for a revised full agreement term of October 1, 2016 through September 30, 2021 and adding \$1,000,000 for a revised total aggregate amount not to exceed \$7,970,000.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 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 one (1) year (October 1, 2020 through September 30, 2021) for a revised full agreement term of October 1, 2016 through September 30, 2021 and adding \$1,000,000 for a revised total aggregate amount not to exceed \$7,970,000.

SUMMARY/DISCUSSION:

NMC utilizes two outside contractors, per RFP 9600-64 to collect on NMC's self-pay patients and bad debt collections. The contractor shall receive three (3) daily data files of all self-pay patients from NMC'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 NMC. If there is no response, the patients account is put into a bad debt collection for further collection efforts. Liens are applied as appropriate.

The agreement documents themselves do not state a total agreement amount specifically. Payment is based on the amount of debt collected and is, therefore, an unknown. NMC is requesting an increased aggregate dollar limit for both agreements not to exceed \$7,970,000 which reflects an estimated amount NMC might pay for debt collection fees through the end of the full five year term September 30, 2021.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 3 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 3 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on July 10 2020.

FINANCING:

The cost for this amendment No. 3 is \$1,000,000 of which \$790,550.00 is included in the Fiscal Year 2020-21 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Debt Collection Services agreements give NMC the ability to collect patient's monetary responsibilities for

the services they have incurred at NMC 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: Gary R. Gray, DO, Chief Executive Officer, 783-2553

Attachments:

- Receivable Solutions, Inc. Amendment No. 3
- 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