



County of Monterey

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

Board Report

File #: A 13-166, **Version:** 1

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 9 to the Agreement (A-10169) with HFS Consultants for Medical Records Coding & Scanning, Critical Healthcare Strategic Planning and Productivity & Operations Analysis Services at NMC, extending the Agreement to June 30, 2014 and adding \$1,000,000 for a revised total Agreement amount not to exceed \$7,354,000 in the aggregate.

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 9 to the Agreement (A-10169) with HFS Consultants for Medical Records Coding & Scanning, Critical Healthcare Strategic Planning and Productivity & Operations Analysis Services at NMC, extending the Agreement to June 30, 2014 and adding \$1,000,000 for a revised total Agreement amount not to exceed \$7,354,000 in the aggregate.

SUMMARY/DISCUSSION:

HFS Consultants, (HFS) provides a full complement of health care consulting services. HFS has 12 major practice areas and technical experience in other health care consulting fields. In the past, HFS has provided NMC with a variety of Health Information Management services. The recommendation is for HFS to provide services to NMC that can be categorized into the following three areas: Medical Records Coding & Scanning, Critical Healthcare Strategic Planning and Productivity & Operations Analysis.

Medical Records Coding & Scanning

HFS provides NMC with offsite-coding services using scanner and web-enhanced technology ensuring accurate code assignment for hospital services. HFS provides OSHPD correction services on a semiannual basis of inpatient data and quarterly correction of outpatient data. HFS consultants are compliant with all intermediary payment rules, government and professional standards, as well as the Natividad Medical Center Compliance Plan and provide evaluation and management coding services for Professional Fee Billing. HFS is a coding industry leader and is also skilled as an education provider in compliance principles and will provide onsite personnel as required throughout the term of the contract. Medical Records contracting with HFS achieves two goals: compliance in coding and streamlining the billing process.

Critical Healthcare Strategic Planning

HFS will provide strategic consulting to help position NMC to respond to health care reform and potential business opportunities. HFS will provide quality management and clinical expertise to help NMC evaluate and implement quality based pay for performance regulatory requirements in order to maximize payments under the new quality based payment programs. HFS has technical expertise in evaluating the acquisition of physician practices and regulatory requirements for structuring the potential new entity to maximize reimbursement. NMC is anticipating a potential need for this technical expertise. The tasks involved in this work are many but the major deliverables could include: Planning RHC Alternatives, Facility Site Review and Fair Market Valuation, Prepare Rural Health Clinic Application and Prepare Financial Proforma and Cost Report for PPS Rate Setting.

Productivity & Operations Analysis

HFS is currently reviewing and updating NMC's current productivity system. The scope of services will be to review current NMC Revenue and Usage reports to determine accurate counts of productive activity for all departments and identify those areas that may need to change to a more appropriate unit of service measure. HFS will calculate a unit of productivity measure for each cost center working with Managers and Administrators to get buy-in on the new metrics. HFS will compare benchmarking results to known industry standards and calculate the financial impact of meeting staffing targets for each cost center. NMC is requesting additional support to assist department managers to help implement productivity measures for their departments.

Over the next year, the cost estimates for each area are as follows:

Medical Records Coding & Scanning (30%)
Critical Healthcare Strategic Planning (60%)
Productivity & Operations Analysis (10%)

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Renewal and Amendment No. 9 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment No. 9 as to fiscal provisions. The Renewal and Amendment No. 9 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Renewal and Amendment No. 9 is \$1,000,000 and is included in the Fiscal Year 2013/2014 Adopted Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Senior IT Strategist, 783-2559
Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Renewal and Amendment No. 9, Original Agreement, Amendments 1, 2, 3, 4, 5, 6, 7 and 8, Spend Sheet