



County of Monterey

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

Board Report

File #: A 23-409, **Version:** 1

- a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 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 year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding \$1,000,000 for a revised total aggregate amount for all contracts not to exceed \$10,270,000.
- b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% (\$240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 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 year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding \$1,000,000 for a revised total aggregate amount for all contracts not to exceed \$10,270,000.
- b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% (\$240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

SUMMARY/DISCUSSION:

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

Payment is based on the amount of debt collected and is, therefore, an unknown, so the agreement documents themselves do not state a total agreement amount specifically. Natividad Medical Center is requesting an increased aggregate dollar limit for both agreements not to exceed \$10,270,000 which reflects an estimated amount Natividad Medical Center might pay for debt collection fees through the end of the term September 30, 2025.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 6 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 6 has also been reviewed and approved by Natividad Medical Center's Finance Committee and by its Board of Trustees on August 11, 2023.

FINANCING:

The cost for this amendment No. 6 is \$1,000,000 of which \$750,000 is included in the Fiscal Year 2023-24 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 Natividad Medica Center the ability to collect patient's monetary responsibilities for the services they have incurred at Natividad Medical Center 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: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:

- Receivable Solutions, Inc. Amendment No. 6
- Credit Consulting Services, Inc. Amendment No. 6
- Receivable Solutions, Inc. Renewal & Amendment No. 5
- Credit Consulting Services, Inc. Renewal & Amendment No. 5
- Receivable Solutions, Inc. Amendment No. 4
- Credit Consulting Services, Inc. Amendment No. 4
- 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