



Board Report

File #: A 17-306, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 4 to the agreement with AE & Associates, LLC for ICD-9 and ICD-10 coding audits, on-site training, and remote coding support services, extending the agreement an additional two (2) year period (September 1, 2017 through August 31, 2019) for a revised full agreement term of July 1, 2013 through August 31, 2019, and adding \$61,850 for a revised total agreement amount not to exceed \$161,850.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to two (2) future no extension 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%) (\$1,900) 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. 4 to the agreement with AE & Associates, LLC for ICD-9 and ICD-10 coding audits, on-site training, and remote coding support services, extending the agreement an additional two (2) year period (September 1, 2017 through August 31, 2019) for a revised full agreement term of July 1, 2013 through August 31, 2019, and adding \$61,850 for a revised total agreement amount not to exceed \$161,850.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to two (2) future no extension 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%) (\$1,900) of the original cost of the agreement per each amendment.

SUMMARY/DISCUSSION:

The Centers for Medicare & Medicaid Services (CMS) and the National Center for Health Statistics' (NCHS) International Classification of Diseases, 10th Revision (ICD-10) and the American Medical Association's (AMA) Current Procedural Terminology (CPT) were developed for health care providers to use for reporting medical diagnoses and inpatient and outpatient procedures. AE & Associates, LLC provides trained, experienced, and credentialed healthcare professionals to health care organizations with an emphasis on medical record coding, coding audits, interim health information management, clerical staffing and coding education. AE & Associates is distinguished by its use of only credentialed health information professionals who have a credential or multiple credentials from the American Health Information Management Association (AHIMA) and the American Academy of Professional Coders (AAPC).

AE & Associates provides NMC's Health Information Management department with ongoing ICD-9 training for obtaining coding credentials to remaining medical coders. In addition to ICD-10 training, education, and audits to ensure NMC's in-house coders apply correct coding. Remote coding support services are also provided by experienced, specialized and certified medical coding professionals for interventional radiology (IR) and cardiovascular as these are more difficult. The services that AE & Associates provide to NMC have been beneficial in ensuring NMC's in-house coders are kept up to date with ICD and CPT code changes to meet regulatory compliance.

AE & Associates provides coding audits which are mandated by the Office of Inspector General known as the PEPPER (Program for Evaluating Payment Patterns Electronic Report) to ensure that hospitals develop and implement a compliance program to protect their operations from fraud and abuse. These audits must be conducted on a regular basis, results are reviewed and education provided.

Approval of the recommended action to extend the term for 2 more years and to increase the agreement amount by \$61,850 will allow AE & Associates to continue providing on-going coding education, auditing and support services for NMC. The increase will also cover additional training necessary for the ICD-10 code updates in October 2017 and for CPT code updates and mandated audits in

either December 2017 or January 2018.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 4 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. This amendment No. 4 has also been reviewed and approved by NMC's Finance Committee on June 22, 2017 and by its Board of Trustees on July 7, 2017.

FINANCING:

The cost for this amendment No. 4 is \$61,850 all of which shall be included in the Fiscal Year 2017-18 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Economic Development

Administration

The services rendered in this agreement promote an organization that practices efficient and effective resource management, the outcome of which allows NMC to meet regulatory compliance

Health and Human Services

This agreement also provides NMC with the additional support it needs to be able to provide reliable and quality patient care which improves the health and quality of life for patients and their families.

Infrastructure

Public Safety

Prepared by: Kim Williams-Neal, Director of Health Information Management, 783-2440

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

AE and Associates LLC Amendment 4

AE and Associates LLC Agreement thru Amendment 3

AE and Associates LLC Spend Sheet

Attachments on file with the Clerk of the Board