



Board Report

File #: A 13-099, **Version:** 1

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Amended and Consolidated Professional Service Agreement with Toyon and Associates for;

1. Rural Floor Budget Neutrality Appeal Services; and
2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and
3. Medicare/Medi-Cal Appeal Services; and
4. OSHPD Report Preparation Services; and
5. Medicaid Eligible Day Services; and
6. Medicare/Medi-Cal/Short Doyle Cost Report Preparation Services, and
7. Additional Consulting Services,

at NMC, extending the Original Agreements, six (6) and adding one Agreement for a total of seven (7) Agreements, to June 30, 2015 and adding \$1,294,000 for a revised total Consolidated Professional Service Agreement amount not to exceed \$4,654,128 in the aggregate.

RECOMMENDATION:

It is recommended the Board of Supervisors;

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Amended and Consolidated Professional Service Agreement with Toyon and Associates for;

1. Rural Floor Budget Neutrality Appeal Services; and
2. Medicare/Medicaid Crossover Bad Debt Recovery Services; and
3. Medicare/Medi-Cal Appeal Services; and
4. OSHPD Report Preparation Services; and
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at NMC, extending the Original Agreements, six (6) and adding one Agreement for a total of seven (7) Agreements, to June 30, 2015 and adding \$1,294,000 for a revised total Consolidated Professional Service Agreement amount not to exceed \$4,654,128 in the aggregate.

SUMMARY/DISCUSSION:

Toyon Associates Inc, a California Corporation, currently has 6 Agreements with NMC. The Agreements and respective term dates are as follows;

1. Rural Floor Budget Neutrality Appeal Services; June 11, 2009 thru June 30, 2015.
2. Medicare/Medicaid Crossover Bad Debt Recovery Services; February 11, 2010 thru June 30, 2014.
3. Medicare/Medi-Cal Appeal Services; Continuous from September 9, 2003 thru June 30, 2013 (current agreement began on January 1, 2007).
4. OSHPD Report Preparation Services; July 1, 2010 thru June 30, 2013.
5. Medicaid Eligible Day Services, on February 11, 2010 thru June 30, 2014.
6. Medicare/Medi-Cal/Short Doyle Cost Report Preparation Services.

This Amended and Consolidated Agreement also adds an additional Agreement providing Budgetary Consulting Services. For a detailed description of each contract and service please see *Toyon Exhibits (A-1 through A-7) Per Service* (attached).

These agreements are beneficial because they bring revenue back by obtaining larger returns (Medicare reimbursements is one example) through the various mechanisms allowed under the CMS guidelines. Natividad Medical Center and the County of Monterey received retroactive reimbursements in Fiscal Year 2011-2012 of \$1.5 Million. *For a list of retroactive reimbursements to the County (NMC) obtained through these Agreements with Toyon Associates over the past three years, please see "Attachment B".*

In order to more effectively administer the Original Professional Services Agreements in a unified manner the parties desire to amend and consolidate the Original Professional Agreements. The Amended and Consolidated Agreement provides for a unified expiration date of June 30, 2015 and adds the additional Consulting Services Agreement for services previously not included in Toyon's original scope of work.

The Additional and Consolidated Agreements fully, consolidate, amend, supersede and replace the Original Professional Services Agreements as of the Effective Date. Increases to five of the existing agreements reflect an extension of the current term dates (three of the existing contracts are being extended for an addition 2 years; and two of the existing contracts are being extended for an additional 1 year). This Consolidated Agreement will achieve the same "term end date" for all existing contracts and the new contract.

From a practical standpoint, having multiple contracts with the same vendor caused accounting errors as invoices for services were paid from incorrect purchase orders assigned to each contract. In order to resolve this issue, all of the contracts have been merged and contain a new policy where Toyon will state which service is being billed for, with only one type of service being billed on one invoice. Payment for services will be made from one purchase order with separate line items for each service.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The cost for this Amended and Consolidated Agreement is \$1,294,000. \$200,000.00 is included in the Fiscal Year 2012/2013 Adopted Budget. \$200,000.00 is included in the Fiscal Year 2013/2014 Recommended Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Juan Polanco, Chief Hospital Account, 783-2372

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Amended and Consolidated Agreement, Toyon Exhibits (A-1 through A-7) Per Service, Toyon 13/14 Purchase Order Starting Amounts for Amended & Consolidated Agreement and Attachment B.