



# County of Monterey

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

## Board Report

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**File #:** A 15-336, **Version:** 1

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Ratify and authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 6 with Metro Republic Commercial Service, Inc. (D.B.A. Medical Receivables Consulting Service) for debt collection services at NMC to extend the term of the Agreement for one additional year, retroactive to July 1, 2015, for a full Agreement term August 1, 2007 through June 30, 2016, with no increase to the total Agreement amount of \$3,100,000.

### **RECOMMENDATION:**

#### **It is recommended the Board of Supervisors:**

Ratify and authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Renewal & Amendment No. 6 with Metro Republic Commercial Service, Inc. (D.B.A. Medical Receivables Consulting Service) for debt collection services at NMC to extend the term of the Agreement for one additional year, retroactive to July 1, 2015, for a full Agreement term August 1, 2007 through June 30, 2016, with no increase to the total Agreement amount of \$3,100,000.

### **SUMMARY/DISCUSSION:**

Metro Republic Commercial, Inc. is one of two agencies that NMC uses to provide collection services for NMC's self-pay patients and bad debt collections. Metro Republic Commercial receives a daily data file of all self-pay patients from NMC's Meditech system and is responsible to send three (3) collection notices to the patient within a 150 day time frame. If no response is received from the patient then the account is put into bad debt collections. Metro Republic Commercial has been providing this service to Natividad since 2007.

The term of this Agreement expired on June 30, 2015. More than half of NMC's agreements have expiration dates of June 30 which creates an excessively high workload during the fiscal year end. Out of the nearly 200 Agreements NMC processed between February and June of 2015 a small percentage were not completed prior to expiration on June 30 such as the amendment for this Agreement with Metro Republic. Therefore, NMC is requesting that this Renewal and Amendment be retroactive to July 1, 2015 so as to cover services rendered since that time. To help prevent such a high volume of agreements to process at next fiscal year end, NMC has started to stagger the end dates on some of its Agreements so the vast majority don't expire on June 30 and are more evenly processed during the year.

NMC is requesting a one year extension on the term of this Agreement to allow for time to solicit for debt collection services during FY15-16 with the intent of awarding new agreements for FY16-17. NMC had issued a Request for Proposals (RFP) for debt collection services during FY13-14 but the selection process was not completed in a timely manner so no awards were made.

This Amendment No. 6 extends the term of the Agreement only. The Board of Supervisors previously approved a total Agreement amount of \$3,100,000 and the Agreement has a balance remaining of \$1,200,000 which NMC will use during Fiscal year 2015-16, therefore no increase to the Agreement amount is needed.

### **OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Renewal & Amendment No. 6 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Renewal & Amendment No. 6 has also been reviewed and approved by NMC's Finance Committee on 8/27/15 and by its Board of Trustees on 9/4/15.

### **FINANCING:**

There is no cost for this Amendment No. 6. \$200,000 is included in the FY15-16 Adopted Budget for this Agreement. There is no impact to the General Fund.

Prepared by: Vince Carr, Director of Patient Financial Services, 783-2345

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

Attachments:

Renewal & Amendment No. 6 to Metro Republic Commercial Services Agreement

Updated Business Associates Agreement

Amendment No. 5 to Metro Republic Commercial Services Agreement

Amendment No. 4 to Metro Republic Commercial Services Agreement

Amendment No. 3 to Metro Republic Commercial Services Agreement

Amendment No. 2 to Metro Republic Commercial Services Agreement

Renewal & Amendment No. 1 to Metro Republic Commercial Services Agreement

Agreement with Metro Republic Commercial Services

Spend Sheet for Metro Republic Commercial Services Agreement

Attachments on file with the Clerk of the Board