



County of Monterey

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

Board Report

File #: A 16-272, Version: 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 8 with Credit Consulting Services, Inc. for debt collection services at NMC to add \$300,000 for a revised total Agreement amount of \$3,700,000 with no change to the term of the Agreement of August 1, 2007 through September 30, 2016.

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. 8 with Credit Consulting Services, Inc. for debt collection services at NMC to add \$300,000 for a revised total Agreement amount of \$3,700,000 with no change to the term of the Agreement of August 1, 2007 through September 30, 2016.

SUMMARY/DISCUSSION:

Credit Consulting Services, Inc. is one of two agencies that NMC uses to provide collection services for NMC's self-pay patients and bad debt collections. Credit Consulting Services 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 the account is put into bad debt collections. Credit Consulting Services has been providing this service to Natividad since 2007. The payment amount to Credit Consulting Services is based on the percentage of debt collected.

NMC issued Request for Proposals (RFP) 9600-64 on January 22, 2016 to solicit for one or more new Agreements for Debt Collection Services. There were fourteen (14) proposals received for consideration. At the current time all proposals have been evaluated by NMC. It is NMC's intent to have more than one Agreement in place by October 1, 2016 for debt collection as per RFP 9600-64. Until the new agreements are executed, NMC is requesting that an additional \$300,000 be added to the current Agreement with Credit Consulting Services because in recent months they have been the sole contractor performing all collection activity for NMC. As a result the debt collected by this particular contractor has increased significantly. Since payment is based on the percentage of debt collected, NMC is requesting approval to increase the total amount of their current Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 8 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 8 has also been reviewed and approved by NMC's Finance Committee on August 25, 2016 and by its Board of Trustees on September 2, 2016.

FINANCING:

The cost for Amendment No. 8 is \$300,000. There is currently \$95,000 remaining to spend on the CCS agreement, and the total cost of \$395,000 has been included in the FY16-17 Adopted Budget. 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:

Amendment No. 8 to Agreement with Credit Consulting Services

Amendment No. 7 to Agreement with Credit Consulting Services

Renewal & Amendment No. 6 to Agreement with Credit Consulting Services

Amendment No. 5 to Agreement with Credit Consulting Services

Renewal & Amendment No. 4 to Agreement with Credit Consulting Services
Renewal & Amendment No. 3 to Agreement with Credit Consulting Services
Renewal & Amendment No. 2 to Agreement with Credit Consulting Services
Renewal & Amendment No. 1 to Agreement with Credit Consulting Services
Original Agreement with Credit Consulting Services
Spend Sheet

Attachments on file with the Clerk of the Board