



Board Report

File #: A 17-215, Version: 1

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement with Peter A. Ripper & Associates, Inc. dba PARA to provide a revenue integrity program for NMC, extending the agreement an additional one (1) year period (July 1, 2017 through June 30, 2018) for a revised full agreement term of July 1, 2016 through June 30, 2018, and adding \$65,000 for a revised total agreement amount not to exceed \$160,000.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future 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%) 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. 1 to the agreement with Peter A. Ripper & Associates, Inc. dba PARA to provide a revenue integrity program for NMC, extending the agreement an additional one (1) year period (July 1, 2017 through June 30, 2018) for a revised full agreement term of July 1, 2016 through June 30, 2018, and adding \$65,000 for a revised total agreement amount not to exceed \$160,000.
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future 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%) of the original cost of the agreement per each amendment.

SUMMARY/DISCUSSION:

Peter A. Ripper & Associates, Inc. dba PARA provides Natividad Medical Center with a revenue integrity program, PARA Data Editor™ (PDE). PDE is a multi-featured web-based system that allows NMC unlimited access to a number of solutions to assist with revenue cycle functions.

The monthly subscription to PDE provides twenty-five users at NMC unlimited access 24/7.

The PDE is composed of fifteen tabs (forty sub-tabs), which work together to provide NMC the ability to analyze, repair, and improve the revenue cycle processes. The following are the features of the PARA system:

- **Charge Quote**-Provide accurate and timely price quotes. EDI (Electronic Data interface) to allow real-time eligibility verification
- **Charge Process**-Streamline all requests being made to the charge master
- **Claim/RA Evaluator**-Evaluate all claims to ensure proper billing techniques and reimbursement, analyze denials for follow up
- **Contract Analysis**-Manage and model all contracts for better reimbursement
- **Pricing Data**-Access current detailed market data for three separate defined markets of Natividad competition's prices

- **Pricing Iterations**-Create pricing scenarios to determine the net and gross revenue impact to the bottom line
- **Pharmacy/Supplies**-Manage all pharmacy and supply mark-ups for price appropriateness
- **Filters/CDM**-Access to current charge master file, to manage all coding and billing issues to ensure an up to date and compliant charge master
- **Advisory**-Access all supporting documentation on industry changes for: OIG (Office of Inspector General), RAC (Recovery Audit Contractors), and CMS (Center for Medicare and Medicaid Services) transmittals, articles and bulletins

All staff at NMC can access PDE to make decisions more efficiently while improving accuracy. The web-based system can be accessed from any computer with internet access.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 1 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. This amendment No. 1 has also been reviewed and approved by NMC's Finance Committee on May 5, 2017 and by its Board of Trustees on May 5, 2017.

FINANCING:

The cost for this amendment No. 1 is \$65,000, all of which shall be included in the Fiscal Year 2017-18 Recommended Budget. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

☐ Economic Development

☒ Administration

This agreement is for revenue cycle audits to ensure accuracy and within compliance guidelines, the outcome of which contributes to assisting NMC run efficient business operations.

☐ Health and Human Services

☐ Infrastructure

☐ Public Safety

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

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

Attachments:

Peter A Ripper & Associates Inc dba PARA Amendment 1

Peter A Ripper & Associates Inc dba PARA Agreement

Peter A Ripper & Associates Inc dba PARA Spend Sheet

Attachments on file with the Clerk of the Board