



County of Monterey

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

Board Report

File #: A 19-392, **Version:** 1

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) for debt collection services, adding \$2,400,000 for a revised total aggregate amount not to exceed \$6,970,000 with no change to the agreement term of October 1, 2016 through September 30, 2020.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) for debt collection services, adding \$2,400,000 for a revised total aggregate amount not to exceed \$6,970,000 with no change to the agreement term of October 1, 2016 through September 30, 2020.

SUMMARY/DISCUSSION:

NMC utilizes 2 collection agencies, Receivable Solutions and Credit Consulting Services, to provide collection services for NMC self-pay patients and bad debt collections as a result of RFP 9600-64. Each agency receives daily files of accounts to send collection notices to patients. If payments are not received within 150 day time frame the account will turn over to proceed with collection efforts. The volume of accounts sent to these agencies fluctuate volume based on NMC business. The agreement documents themselves do not state a total agreement amount specifically. Payment is based on the amount of debt collected and is therefore an unknown. NMC is requesting an increased aggregate dollar limit for both agreements not to exceed \$6,970,000 which reflects the estimated amount NMC might pay for debt collection fees through the end of the agreement term.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this amendment No. 2 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 2 has also been reviewed and approved by NMC's Finance Committee on October 24, 2019 and by its Board of Trustees on November 1, 2019.

FINANCING:

The cost for this amendment No. 2 is \$2,400,000 of which \$1,299,996 is included in the Fiscal Year 2019-20 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Debt Collection Services agreements give NMC the ability to collect patient's monetary responsibilities for the services they have received at NMC.

- ☐ Economic Development
- ☒ Administration
- ☐ Health and Human Services
- ☐ Infrastructure
- ☐ Public Safety

Prepared by: Tracy Short, Director of Patient Financial Services, 783-2347

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2553

Attachments:

Receivable Solutions, Inc. Amendment No. 2

Credit Consulting Services, Inc. Amendment No. 2

Receivable Solutions, Inc. Amendment No. 1

Credit Consulting Services, Inc. Amendment No. 1

Receivable Solutions, Inc. Agreement

Credit Consulting Services, Inc. Agreement

Attachments on file with the Clerk of the Board