



County of Monterey

Item No.29

Board Report

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

Legistar File Number: A 25-279

July 01, 2025

Introduced: 6/16/2025

Current Status: Natividad Medical Center -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with AE & Associates, LLC for medical billing coding, audits, onsite training, and remote coding support services at NMC, for an amount not to exceed \$250,000 with an agreement term August 1, 2025 through July 31, 2028.
- b. Authorize the Chief Executive Officer for Natividad Medical Center 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 10% (\$25,000) of the original cost of the agreement, for total contract liability of (\$275,000).

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with AE & Associates, LLC for medical billing coding, audits, onsite training, and remote coding support services at NMC, for an amount not to exceed \$250,000 with an agreement term August 1, 2025 through July 31, 2028.
- b. Authorize the Chief Executive Officer for Natividad Medical Center 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 10% (\$25,000) of the original cost of the agreement, for total contract liability of (\$275,000).

SUMMARY/DISCUSSION:

In addition to the increase with audit reviews to ensure that all regulatory and coding assignments are accurate, NMC has a need for additional services such as Trauma Registry services, Coding Appeals and Education for coders and physicians which requires specialized state knowledge and expertise when appending service codes and documentation.

The service that AE & Associates, LLC provides to NMC ensures that the submission for reimbursement is accurate and the data submission to public entities meets the state standards and requirements. The appending of medical codes is based on the treatment, accurate documentation and services provided to the patient. Patients are able to obtain resources and apply for other services to sustain their daily living.

Lastly, the difficulty with recruitment of qualified licensed coders in the various categories of coding complication, ongoing updates, third party reviews to ensure transparency has made it challenging for NMC.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this agreement as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The agreement has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on June 13, 2025.

FINANCING:

The cost for this agreement is \$250,000 of which \$115,000 is included in the FY 2025-26 Recommended Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-8700.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This request supports in creating a stronger workforce of our existing coders which are residence of Monterey County; with learning, adhering and remaining proficient with coding the complex cases of the Monterey Community.

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

Prepared by: Kim Williams-Neal, Director of Health Information Management, 783-2440

Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

AE & Associates, LLC Agreement

Attachments on file with the Clerk of the Board