

Setting the Standard in Health Care Excellence

September 26, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

SUBJECT:

Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Master Services Agreement (MSA) with CorroHealth, Inc. (CorroHealth) Containing Standard Terms for Statements of Work for CorroHealth's Services, Effective for Three Years Beginning on the Date of the Last Signature to the MSA (Effective Date); Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Statement of Work - Accounts Receivable Recovery Services with CorroHealth Effective on the Effective Date, with a Not to Exceed Amount of \$200,000 per Contract Year; Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Statement of Work - Utilization Management Services with CorroHealth, Effective on the Effective Date, with a Not to Exceed Amount of \$247,600 for Contract Year 1, and \$235,100 for Contract Years 2 and 3; Approval of, and Authorization for the Purchasing Agent or Designee to Sign, the Statement of Work - Clinical Documentation Integrity Review with CorroHealth Effective on the Effective Date, with a Not to Exceed Amount of \$35,000 per Contract Year.

RECOMMENDATIONS:

1. That your Board approve, and authorize the Purchasing Agent or designee to sign, the Master Services Agreement (MSA) (Exhibit No. 1) with CorroHealth, Inc. (CorroHealth) containing standard terms for statements of work for CorroHealth's services, effective for three (3) years beginning on the date of the last signature to the MSA (Effective Date).
2. That your Board approve, and authorize the Purchasing Agent or designee to sign, the Statement of Work - Accounts Receivable Recovery Services (AR) (Exhibit No. 2) with CorroHealth Effective on the Effective Date, with a not to exceed amount of \$200,000 per contract year for up to three (3) years.
3. That your Board approve, and authorize the Purchasing Agent or designee to sign, the Statement of Work - Utilization Management Services (UM) (Exhibit No. 3) with CorroHealth Effective on the Effective Date, with a not to exceed amount of \$247,600 for contract year 1, and \$235,100 for contract years 2 and 3.

4. That your Board approve, and authorize the Purchasing Agent or designee to sign, the Statement of Work – Clinical Documentation Integrity Review (CDI) (Exhibit No. 4) with CorroHealth Effective on the Effective Date, with a not to exceed amount of \$35,000 per contract year for up to three (3) years.

FISCAL IMPACT:

Mandatory: No
Source of Funding: VCMC Operating Revenues/Collections
Funding Match Required: None
Impact on Other Departments: N/A

Summary of Annual Revenues and Costs Under these agreements:

	<u>Contract Year 1</u>	<u>Contract Year 2</u>
REVENUE:	\$482,600	\$470,100
DIRECT COSTS:	\$482,600	\$470,100
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

CURRENT FISCAL YEAR BUDGET:

Current FY 2023-24 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$673,790,899	\$673,790,899	\$673,790,899	\$0
Revenue	\$665,452,626	\$665,452,626	\$665,452,626	\$0
Operational Income/(Loss)	(\$8,338,273)	(\$8,338,273)	(\$8,338,273)	\$0

Sufficient revenue and appropriations are included in the FY 23-24 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

DISCUSSION:

To address the Health Care Agency's (HCA) need to optimize financial performance, HCA met with six vendors to determine the best way to address the various issues within revenue cycle management. Several vendors provided demonstrations of their solutions. HCA determined CorroHealth was best suited to address our revenue cycle management needs.

Peter A. Ripper & Associates, Inc. has provided revenue cycle reporting services to HCA since 2015 and was recently acquired by CorroHealth. CorroHealth is the leading provider of clinically led healthcare analytics and technology-driven solutions dedicated to positively impacting the financial performance of hospitals and health systems.

CorroHealth represents one of the largest organizations in the revenue cycle industry with over 8,500 domestic and global revenue cycle management professionals. This team will provide a single, coordinated delivery of all provided services including managing work assignment, completion, productivity adherence, and quality assurance.

Conversations with CorroHealth uncovered the need to provide this support with the following program elements:

- **Role-specific Expertise.** CorroHealth will deploy best practices and workflows specific to UM, CDI, and AR operations.
- **Single Vendor Management and Delivery.** The dedicated management team will provide a single, coordinated delivery of all services including managing work assignment, completion, productivity adherence, and quality assurance.
- **Accountable Professionals.** CorroHealth will deliver quality services with accuracy, results, and turn-around times monitored and reported on monthly.

CorroHealth has established a plan to support the specific needs of HCA's revenue cycle. This plan includes deployment of healthcare experts across the following areas of focus:

Accounts Receivable (Exhibit 2):

- Risk-based pricing approach: CorroHealth will not be paid unless it secures additional payments for HCA.
- CorroHealth has discovered potential collections by thoroughly examining HCA's aged accounts receivable.
- Support across all commercial, managed care, managed government, and government payers.
- Hybrid resource support utilizing the collective expertise of CorroHealth's 8,500 employees.

Utilization Management (Exhibit 3):

- Program assessment and action plan creation.
- Concurrent case reviews and appeals.
- Consulting and support across program management, including training of HCA staff.

Clinical Documentation Integrity (Exhibit 4):

- All Patient Refined Diagnosis Related Groups (APR DRG) physician led case reviews.
- Focused on changes impacting APR DRG, severity of illness, and risk of mortality.

This letter has been reviewed by the County Executive Office, County Counsel, Auditor-Controller's Office, and General Services Agency Procurement Services. If you have any questions regarding this item, please call John Fankhauser, M.D., Chief Executive Officer, County Hospitals, at 805-652-6058.



John Fankhauser, M.D.
Chief Executive Officer, County Hospitals

Barry L. Zimmerman
Health Care Agency Director

EXHIBITS

Exhibit 1 – CorroHealth, Inc. - Master Services Agreement

Exhibit 2 – CorroHealth, Inc. - Statement of Work Accounts Receivable Recovery
Services

Exhibit 3 – CorroHealth, Inc. - Statement of Work Utilization Management Services

Exhibit 4 – CorroHealth, Inc. - Statement of Work Clinical Documentation Integrity Review