

Setting the Standard in Health Care Excellence

February 27, 2024

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

SUBJECT:

Approval of, and Authorization for the Health Care Agency (HCA) Director or Designee to Sign, an Agreement with Margin Healthcare, LLC for Revenue Cycle Consulting Services, Through December 31, 2024, Setting the Not-to-Exceed Amount at \$465,000; Ratification of HCA's Authorization for the Contractor to Provide Services in Anticipation of Your Board's Approval of This Agreement.

RECOMMENDATION:

That your Board approve, and authorize the Health Care Agency (HCA) Director or designee to sign, an agreement with Margin Healthcare, LLC (Margin) for revenue cycle consulting services, through December 31, 2024, setting the not-to-exceed amount at \$465,000, and ratify HCA's authorization for the contractor to provide services in anticipation of your Board's approval of this agreement.

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 this agreement:

	<u>FY2023-24</u>	<u>FY 2024-25</u>
REVENUE:	\$232,500	\$232,500
DIRECT COSTS:	\$232,500	\$232,500
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.

STRATEGIC PLAN PRIORITY:

The item presented in this Board letter supports the Healthy, Safe, and Resilient Communities strategic priority of the County Strategic Plan as it is designed to meet the goal of providing access to quality healthcare required for our community to thrive.

DISCUSSION:

The agreement before your Board provides services from January 1, 2024 through December 31, 2024, and will provide for continuity in revenue cycle operations while HCA continues to recruit for key revenue cycle leadership positions, including a revenue cycle director, ambulatory revenue cycle leadership, and a revenue integrity manager. Additionally, this agreement will allow time to continue to develop future leaders within HCA through training, coaching, and mentoring current staff even as new leaders are identified and onboarded.

The services provided by Margin will include tasks generally performed by currently vacant revenue cycle leadership positions, including denial management, revenue capture and appropriate revenue enhancement. Margin will provide support and expertise in health information management, charge master management, patient access, and utilization management. Margin's principal is a knowledgeable revenue cycle consultant with experience aligned with HCA's needs.

Margin's efforts will contribute toward successful results in the HCA revenue cycle, increasing revenue and strengthening compliance. Margin will assist in mentoring and developing the skills of existing HCA employees and onboarding new HCA leaders into revenue cycle leadership positions. Margin will assist with an Oracle upgrade/Experian implementation, with the transition of revenue cycle functions once new leadership is onboarded, and reductions in operational expenses. With the assistance of Margin, HCA leadership looks forward to continued improvements in many of the revenue cycle indicators, and a successful key leadership transition.

This letter has been reviewed by the County Executive Office, County Counsel, and Auditor Controller's Office. If you have any questions regarding these recommendations, please contact Mike Taylor, HCA Chief Financial Officer at 805-677-5110.



Barry L. Zimmerman
Health Care Agency Director

EXHIBIT

Exhibit 1 – Margin Healthcare, LLC - Agreement