

Setting the Standard in Health Care Excellence

January 24, 2023

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

Subject:

Approval of, and Authorization for the Purchasing Agent or Designee to Sign, Amendment No. 4 to Contract No. 8929 with OConnor Healthcare Consulting, LLC (OCHC) for Revenue Cycle Consulting Services, Extending the Term of the Contract Through December 31, 2023, and Setting the Not-to-Exceed Amount at \$210,120 for Fiscal Year 2023-24, and Ratification of the Health Care Agency's Authorization for OCHC to Provide Services in Anticipation of Board Approval.

Recommendation:

That your Board approve, and authorize the Purchasing Agent or designee to sign, amendment No. 4 to contract No. 8929 with OConnor Healthcare Consulting, LLC (OCHC) for revenue cycle consulting services, extending the term of the contract through December 31, 2023, setting the not-to-exceed amount at \$210,120 for FY23-24, and ratify the Health Care Agency's (HCA) authorization of OCHC to provide services under the terms of the amendment in anticipation of your Board's approval.

Reason for Ratification:

HCA authorized OCHC to provide services under the terms of the proposed amendments pending your Board's approval.

Fiscal Impact:

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

Summary of Annual Revenues and Costs under this agreement:

	<u>FY 2022-23</u>	<u>FY 2023-24</u>
REVENUE:	\$0	\$210,120
DIRECT COSTS:	\$0	\$210,120
INDIRECT COSTS:	Minor	Minor
Net Revenue <cost>	\$0	\$0

Current Year Fiscal Budget

Current FY 2022-23 Budget Projections for Ventura County Medical Center #3300				
	Adopted Budget	Adjusted Budget	Projected Actual	Estimated Savings/(Deficit)
Expenditures	\$597,277,305	\$597,277,305	\$597,277,305	\$0
Revenue	\$597,588,755	\$597,588,755	\$597,588,755	\$0
Operational Income/(Loss)	\$311,450	\$311,450	\$311,450	\$0

Sufficient revenue and appropriations are included in the FY 22-23 adopted budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

Discussion:

At present, the Revenue Cycle Director and Revenue Integrity Director positions are both unfilled. The services provided by OCHC include assisting with responsibilities that would be covered by these positions. This includes, assisting with denial management, revenue capture and appropriate revenue enhancement. In these positions, OCHC provides support and expertise in health information management, charge master management, patient access, and utilization management.

OCHC's efforts over the past two years have contributed toward successful results in HCA's revenue cycle, including an increase in cash collections of more than 4% during the nine-month period ending October 2022 compared to the same period one year earlier and more than 8% compared to the same period two years ago. OCHC has helped mentor and develop the skills of existing HCA employees, and some have been promoted into revenue cycle leadership positions. OCHC has assisted with four successful software implementations: Experian Health, Inc. ClaimSource, a claims management system and OneSource, a single source eligibility tool, Waystar, Inc. a Medicare analytics and eligibility tool, and the Huron Consulting Group, LLC clinical documentation improvement tool. Re-establishment of a robust and consistent clinical documentation improvement program has, thus far, yielded more than \$2 Million. OCHC has assisted HCA in reducing other consulting and operational expenses. With the assistance of OCHC, HCA leadership looks forward to continued improvements during 2023 while reducing the

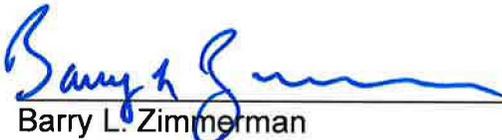
expected anticipated contract costs by approximately 50% (compared to the 12 months ending March 2022) as projects and responsibilities transition to HCA personnel.

The amendment before your Board extends the agreement through December 31, 2023 and will provide for continuity in revenue cycle operations while HCA continues to recruit for difficult to fill revenue cycle leadership positions approved in the FY22-23 budget, including a Revenue Cycle Director and Revenue Integrity Director. Additionally, extending these services will allow time to continue to develop future leaders within HCA through training, coaching, and mentoring current staff. It is HCA's goal to fill these key positions and transition all OCHC efforts to full time employees before December 31, 2023.

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 these recommendations, please contact Michael Taylor, at 805-677-5110.



Michael Taylor
Health Care Agency Chief Financial Officer



Barry L. Zimmerman
Health Care Agency Director

Exhibit:

Exhibit 1 - OConnor Healthcare Consulting, LLC- Amendment No. 4 to Contract No. 8929