

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

October 27, 2020

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Agreement with Managed Resources, Inc. for Insurance Defense Audit/Account Audit Services

**RECOMMENDATION(S)**

Approve **Agreement No. 20-1053** with Managed Resources, Inc. for Insurance Defense Audit/Account Audit Services in the amount of \$2,500,000 for the five-year period of October 28, 2020 through October 27, 2025.

(Presenter: William L. Gilbert, Director, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

Approval of the Agreement with Managed Resources, Inc. (MRI) will not result in the use of Discretionary General Funding (Net County Cost) as cost for concurrent chart auditing and defense auditing services are funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Sufficient appropriation and revenue are included in the Arrowhead Regional Medical Center (ARMC) 2020-21 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

The agreement with MRI allows for concurrent chart auditing and defense auditing services at ARMC. An auditor from MRI will randomly perform chart audits by reviewing medical records and billing documents in advance of the actual billing to the third party payor (insurance company). An insurance defense audit consist of a representative from MRI and an agent from the third party, verifying that charges billed for patient services have been documented accurately. Both parties review the medical record and all other clinical data to verify the written documentation on the medical bill is a true reflection of services provided to the patient. Chart audits and defense audits ensure that ARMC operates in a fiscally-responsible and business-like manner by confirming the accuracy of the billing process at ARMC and that the Centers for Medicare and Medicaid Services billing guidelines are met.

**PROCUREMENT**

The Request for Proposal (RFP) was approved by the County Administrative Office on March 17, 2020. On July 24, 2020, the RFP No. ARMC 121-ARMC-3889 for Insurance Defense Audit/Account Audit Services was released through the County of San Bernardino's Electronic Procurement (ePro) network. Proposals were due from vendors on August 20, 2020.

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Two companies submitted proposals and the company name and location for each is provided below:

Proposer	Location
Boulder Prospective Payment Specialist	Timonium, MD
Managed Resources, Inc.	Long Beach, CA

Evaluation of the proposals was completed by a committee comprised of representatives from hospital administration, patient accounts, case management and fiscal administration. Both proposals were evaluated based on the criteria of qualification and experience, finance review, costs, references, and technical review. The evaluation committee determined based on the depth of knowledge and familiarity of the proposed work as set forth in its proposal that MRI was best suited to provide the services to ARMC. MRI was selected for its overall ordinal ranking position of number one.

On September 2, 2020, a tentative award letter was sent to MRI, and on the same day the unsuccessful proposer was notified in writing that they may protest the qualification review by submitting a formal protest letter to ARMC within 10 calendar days of the date of the non-selection letter. No protests were received.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5465) on September 11, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2098) on October 2, 2020; ARMC Finance (Chen Wu, Budget and Finance Officer, 909-580-3165) on October 1, 2020; Finance (Amanda Trussell, Principal Administrative Analyst, 387-5423) on October 5, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on October 9, 2020.

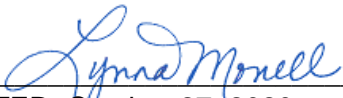
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Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Robert A. Lovingood Seconded: Josie Gonzales  
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: October 27, 2020



cc: ARMC - Leichliter w/agree  
Contractor - C/O ARMC w/agree  
File - w/agree  
CCM 10/29/2020