

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

November 17, 2020

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

Amendment to Agreement with Toyon Associates, Inc. for the Provision of Medicare Cost Report Audit Appeal and Cost Report Reopening Services

RECOMMENDATION(S)

Approve **Amendment No. 3** to **Agreement No. 18-158** with Toyon Associates, Inc. to expand the scope of services to include Medicare Cost Report Audit Appeal and Cost Report Reopening Services and to increase the total not to exceed amount by \$150,000, from \$3,265,044 to \$3,415,044, with no changes to total contract period of April 20, 2018 through April 19, 2023.

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

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

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

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The additional cost of \$150,000 is funded by State Medi-Cal, Federal Medicare, private insurances, and other departmental revenue. Funding sources may change in the future pending any legislative activity related to the repeal and/or replacement of the Affordable Care Act. 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

Approval of the recommendation will expand the scope of services provided under the current Agreement with Toyon Associates, Inc. (Toyon) to include Medicare Cost Report Audit Appeal and Cost Report Reopening Services (collectively "Audit Appeal Services") for the cost reporting periods of Fiscal Year 2013 through Fiscal Year 2021, and to increase the not-to-exceed contract amount by \$150,000 to fund the additional services. The Audit Appeal Services, will allow ARMC to dispute any perceived incorrect cost associated with a service rendered, which is beneficial to ARMC as this could provide greater reimbursements for past services provided for patients under the Medicare System.

On April 3, 2018 (Item No. 10), the Board approved an agreement with Toyon for Medicare cost report preparation and consulting services, in the not to exceed amount of \$1,121,175 for the period of April 20, 2018 through April 19, 2021.

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On May 21, 2019 (Item No. 12), the Board approved Amendment No. 1 to Agreement No. 18-158 with Toyon, increasing the not to exceed amount by \$1,225,119, from \$1,121,175 to \$2,346,294, with no changes to the contract period of April 20, 2018 through April 19, 2021, for Medicare and Medi-Cal cost report preparation including consulting services.

On July 28, 2020 (Item No. 9), the Board approved Amendment No. 2 to Agreement No. 18-158 with Toyon Associates, Inc. to increase the total not to exceed amount by \$918,750, from \$2,346,294 to \$3,265,044, and extend the contract term for an additional two years for a total contract period of April 20, 2018 through April 19, 2023, for Medicare cost report preparation and consulting services.

PROCUREMENT

Toyon has specialized credentials and expertise in preparation and consultation of specific cost reports, with experience in preparation of hundreds of cost reports for all types and sizes of Licensed Health Care facilities preparation and review of many P14 Workbooks (annual Medi-Cal cost reports), and in conducting Medicare cost report audit appeal and cost report reopening services. County Purchasing concurred with the reasoning for a non-competitive procurement, based on the justification stated above.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on October 20, 2020; Purchasing Department (Michelle Churchill, Supervising Buyer, 387-2070) on November 2, 2020; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on October 26, 2020; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on October 28, 2020; and County Finance (Matthew Erickson, County Chief Financial Officer, 387-5423) on November 01, 2020.

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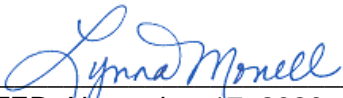
Record of Action of the Board of Supervisors
County of San Bernardino

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: November 17, 2020



cc: ARMC - Gilbert w/agree
Contractor - C/O ARMC w/agree
File - w/agree
CCM 11/23/2020