



**Health Services**  
LOS ANGELES COUNTY

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December 19, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 11 TO AGREEMENT NO. 70282  
WITH MEDQUIST TRANSCRIPTIONS, LTD., FOR MEDICAL  
TRANSCRIPTION SERVICES AT OLIVE VIEW-UCLA  
MEDICAL CENTER AND HIGH DESERT HEALTH SYSTEM  
(5<sup>th</sup> District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign Amendment No. 11 to Proposition A Medical Transcription Services Agreement No. 70282, Exhibit I, with MedQuist Transcriptions, Ltd. (MedQuist), for services provided at Olive View-UCLA Medical Center (OVMC) and High Desert Health System (HDHS) to: 1) extend the Agreement term for an additional six months, effective January 1, 2007 through June 30, 2007, in the amount of \$390,000; and 2) delegate authority to the Director of the Department of Health Services, or his designee, to extend the agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$195,000, for a total cost of \$585,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The Department of Health Services (DHS or Department) is currently developing a resolicitation for the services provided under the recommended Amendment. The resolicitation will include medical transcription services for all medical facilities.

In the meantime, while the solicitation is being finalized, the current Medical Transcription Services Agreement No. 70282 for services provided at OVMC and HDHS will expire on December 31, 2006. Board approval of the recommended Amendment will: 1) ensure that delivery of vital medical transcription services continue uninterrupted at OVMC and HDHS; and 2) align the term with the other Medical Transcription Services Agreements at the other medical facilities, all of which are included in the solicitation process.

FISCAL IMPACT/FINANCING:

The total estimated expenditure for Amendment No. 11 to Agreement No. 70282 for medical transcription services provided at OVMC and HDHS for the period of

January 1, 2007 through September 30, 2007 is \$585,000 (consisting of \$540,000 for OVMC and \$45,000 for HDHS).

Funding is included in OVMC's and HDHS' Fiscal Year (FY) 2006-07 Final Budgets and will be requested in FY 2007-08.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On August 20, 1996, the Board approved an Agreement with MedQuist for the provision of medical transcription services for OVMC and HDHS, effective September 1, 1996 through August 31, 2000. Under delegated authority, the term was extended for an additional six months through February 28, 2001. Subsequently, the Board approved Amendment Nos. 1 through 10, that increased the allocation, updated contract language, added Health Insurance Portability and Accountability Act language, and extended the term through December 31, 2006.

On December 14, 2005, under Amendment No. 8, the Board approved a temporary change in the billing and payment structure from a transcribed line rate to a report rate, which remained effective until a conversion date to MedQuist's new billing platform, DocQment Enterprise Platform™ (DEP), was established. On February 16, 2006, the conversion at OVMC took place and the billing and payment methodology reverted back to the rate per transcribed line. HDHS is now ready to convert to MedQuist's DEP billing platform and the billing and payment methodology will revert back to the rate per transcribed line. A delay in this transition occurred because of ongoing negotiations for an agreeable rate per transcribed line. Although HDHS is now able to convert back to the rate per transcribed line, the report rate for services at HDHS is more cost effective, as the line rate proposed by MedQuist would exceed the per report cost.

The Department is currently working on a Request For Proposals (RFP) for Medical Transcription Services for seven County medical facilities. Progress on the RFP has been delayed because of the need to upgrade service levels to coincide with the current technology and standardize the performance specifications for medical and radiology reports transcription services. The Department anticipates that the RFP will be completed and a new contract(s) in place before September 2007.

The Agreement may be terminated by the County with 30 day advance written notice to Contractor.

County Counsel has approved Amendment No. 11 (Exhibit I) as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise Amendment actions on the Los Angeles County Online Website.

An RFP for medical and radiology reports transcription services for the medical facilities was near completion using the current description of services. The RFP was not completed sooner due to other critical priorities and staff shortage. The Health Information Management Directors and other medical staff strongly recommended that the Department obtain transcription services that include voice

The Honorable Board of Supervisors  
December 19, 2005  
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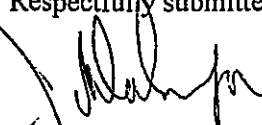
recognition, but after gathering further background information, it was determined that this option was not feasible at this time.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval of the recommended action will ensure that vital transcription services remain in place and continue uninterrupted at OVMC and HDHS.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.  
Acting Director of Health Services

BAC:lvb  
Medical Transcription Svcs.lvb.wpd

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT

1. TYPE OF SERVICE:

Medical transcription services at Olive View/UCLA Medical Center (OVMC) and High Desert Health Services (HDHS).

2. AGENCY ADDRESS AND CONTACT PERSON:

MedQuist Transcriptions, Ltd. (MedQuist)  
1000 Bishop's Gate Blvd., Ste. 300  
Mount Laurel, NJ 08054-4632  
Attn: Frank Lavelle, President  
Telephone: (800) 233-3030  
Email: [FLavelle@medquist.com](mailto:FLavelle@medquist.com)

3. TERM:

January 1, 2007 through June 30, 2007.

4. FINANCIAL INFORMATION:

The total estimated expenditure for Amendment No. 11 to Agreement No. 70282 for medical transcription services provided at OVMC and HDHS for the period of January 1, 2007 through September 30, 2007 is \$585,000 (consisting of \$540,000 for OVMC and \$45,000 for HDHS).

Funding is included in OVMC's and HDHS' Fiscal Year (FY) 2006-07 Final Budgets and will be requested in FY 2007-08.

5. GEOGRAPHIC AREAS SERVED:

5<sup>th</sup> Supervisorial District.

6. PERSONS ACCOUNTABLE FOR PROGRAM MONITORING:

Facility staff.

7. APPROVALS:

HDHS: Beryl Brooks, CEO

OVMC: Melinda Anderson, CEO

Contracts & Grants: Cara O'Neill, Chief

County Counsel: Maya Lee, Deputy County Counsel

Christina A. Salseda, Deputy County Counsel

FACT SHEET

**RE: APPROVAL OF AMENDMENT NO. 11 TO AGREEMENT NO. 70282 WITH MEDQUIST TRANSCRIPTIONS, LTD., FOR MEDICAL TRANSCRIPTION SERVICES AT OLIVE VIEW-UCLA MEDICAL CENTER AND HIGH DESERT HEALTH SYSTEM**

5th District.

CONTACT PERSONS:

Melinda Anderson, CEO  
Olive View-UCLA Medical Center (OVMC)  
14445 Olive View Drive  
Sylmar, California 91343  
Telephone: (818) 364-3002  
Email: [manderson@ladhs.org](mailto:manderson@ladhs.org)

Beryl Brooks, CEO  
High Desert Health System (HDHS)  
44900 North 60<sup>th</sup> Street West  
Lancaster, California 93536  
Telephone: (661) 945-8461  
Email: [brbooks@ladhs.org](mailto:brbooks@ladhs.org)

Dexter Moon, Contract Liaison  
OVMC  
14445 Olive View Drive  
Sylmar, California 91343  
Telephone: (818) 364-3418  
Email: [dmoon@ladhs.org](mailto:dmoon@ladhs.org)

Sharon Nolan, Acting HIM  
HDHS  
44900 North 60<sup>th</sup> Street West  
Lancaster, California 93536  
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Email: [snolan@ladhs.org](mailto:snolan@ladhs.org)

SUBJECT:

Approval of a Proposition A (Prop A) Amendment for the continued provision of medical transcription services at OVMC and HDHS.

REQUESTED ACTION:

Approve and instruct the Chairman to sign Amendment No. 11 to Proposition A Medical Transcription Services Agreement No. 70282, with MedQuist Transcriptions, Ltd., for services provided at OVMC and HDHS to: 1) extend the Agreement term for an additional six months, effective January 1, 2007 through June 30, 2007, in the amount of \$390,000; and 2) delegate authority to the Director of the Department of Health Services, or his designee, to extend the agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$195,000, for a total cost of \$585,000.

PROGRAM:

Medical transcription services at OVMC and HDHS.

CONTRACT AMOUNT:

The total estimated expenditure for Amendment No. 11 to Agreement No. 70282 for medical transcription services provided at OVMC and HDHS for the period of January 1, 2007 through September 30, 2007 is \$585,000, consisting of \$540,000 for OVMC and \$45,000 for HDHS.

Funding is included in OVMC's and HDHS' Fiscal Year (FY) 2006-07 Final Budgets and will be requested for FY 2007-08.

FACT SHEET (cont'd)

TERMINATION PROVISION:

The Agreement may be terminated by the County with 30 day advance written notice to Contractor.

TERM OF AMENDMENT:

January 1, 2007 through June 30, 2007.

AUTOMATIC RENEWAL:

No.

FIRST BOARD APPROVED CONTRACT:

August 20, 1996.

CONTRACT EXPIRATION DATE:

December 31, 2006.

RETROACTIVITY:

No.

SOLE SOURCE JUSTIFICATION:

NA.

LOS ANGELES COUNTY ONLINE WEB SITE:

NA.