

June 18, 2019

Los Angeles County
Board of Supervisors

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.



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

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO EXTEND
TEMPORARY HEALTH INFORMATION MANAGEMENT
PERSONNEL SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to extend Temporary Health Information Management Personnel Services Agreements with various contractors for the provision of temporary or as-needed health information management personnel services for use by the Department of Health Services, and delegate authority to execute agreements with additional qualified firms, exercise Agreement term options, make changes to the Agreements and suspend or terminate any of the Agreements on behalf of County in accordance with applicable termination provisions in the respective Agreements.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or designee, to: (a) execute to execute amendments to Temporary Health Information Management Personnel Services (THIMPS) Agreements with AE and Associates, ASAP Staffing, Inc., Caban Resources, CodeBusters, Inc., CodeMed, Inc., and JENN International, effective upon execution, to extend the term for two years until and through June 30, 2021, with an option to further extend the term for six months until and through December 31, 2021; (b) execute form THIMPS Agreements with additional qualified firms, based on need, effective upon execution until and through June 30, 2021, with an option to further extend the term for six months until and through December 31, 2021, subject to review and approval by County Counsel; unless sooner terminated by the Director, or designee; at an estimated annual cost of up to \$14.0 million for all agreements, not to exceed \$35.0 million through December 31, 2021.

2. Delegate authority to the Director, or designee, to execute amendments to the form THIMPS Agreements to: (a) revise or incorporate provisions consistent with applicable Board of Supervisors (Board) policy, County Ordinances, etc.; (b) allow other County Departments to receive services under the THIMPS Agreements; and (c) make operations workflow and non-substantive changes to the statement of work for any of the THIMPS Agreements, with all amendments subject to review and approval by County Counsel.
3. Delegate authority to the Director, or designee, to execute future amendments to the THIMPS Agreements, to increase existing Agreement Maximum Personnel Hourly Rates, based on an industry review of comparable rates, not to exceed 25% over current rates, and available funding; and to exercise term extension options, all subject to review and approval by County Counsel and notification to the Board.
4. Delegate authority to the Director, or designee, to suspend or terminate any of the THIMPS Agreements, on behalf of the County, in accordance with applicable termination provisions in the respective Agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Background

The County of Los Angeles (County), Department of Health Services' (DHS) core mission is to ensure access to high-quality, patient centered, and cost-effective healthcare to County residents. Therefore, DHS must sustain, and whenever possible enhance its ability to recover claims and encounter data reimbursements from various government funding, e.g., Medicare, Medi-Cal health plans, and other payer sources (various payer sources) in order to uphold its core mission and to protect the healthcare interests of the most vulnerable County residents.

Claims and Encounter Data Reimbursements

Securing claims and encounter data reimbursements from the aforementioned various payer sources requires a complex and highly regulated inter-departmental collaborative effort. The Health Information Management (HIM) Division supports claims reimbursement processing by performing abstracting and coding of medical services on claims totaling approximately \$1.6 billion in gross charges for Harbor-UCLA Medical Center (H-UCLA MC), LAC+USC Medical Center (LAC+USC MC), Olive View-UCLA Medical Center, Rancho Los Amigos National Rehabilitation Center and the Ambulatory Care Network facilities. HIM also secures multiple streams of encounter data reimbursements as follows:

Capitated Service Arrangements

DHS enters into agreements with health plans for capitated service arrangements, and part of the contractual obligation in such arrangements include the submission of encounter data that is supported by abstracting and coding services (coding services). This submission allows for transparency in DHS' delivery of healthcare services. Encounter data provides the basis for the formulation of managed care programs, including: risk adjustments; quality measurement; value-based purchasing; program integrity; and policy development.

Quality Improvement Program and the Enhance Payment Program

DHS' need for coding services has increased since April 2018, as a result of supplemental payments that were instituted for the Quality Improvement Program (QIP) and the Enhance Payment Program (EPP) by the California Department of Health Care Services, Medi-Cal managed care plans and the Centers for Medicare and Medicaid Services.

The QIP and EPP present new opportunities for collaboration between public health care systems and Medi-Cal managed care plans. The QIP is a performance-based program that aligns clinical and quality measures with those that Medi-Cal managed care plans are already reporting, thus creating a shared interest in both entities working together to demonstrate improvement. The EPP provides critical funding to public health care systems and is structured in a manner that mitigates health plan concerns around the risks of this new program. Under the EPP structure, health plans receive an add-on to their managed care rates and provide interim payments to providers throughout the year. Payments are reconciled at the end of the year, protecting health plans from any risk associated with payment.

The submission of encounter data is important in determining payment for the QIP and EPP, and results in more accurate data shared between public health care systems, health plans and the State, which benefits all aforementioned parties. The net supplemental payments from QIP and EPP are critical to funding DHS and are estimated to be \$536.5 million for Fiscal Year (FY) 2019-20.

Since QIP and EPP are driven by accuracy and quality of reported encounter data, DHS must meet or exceed encounter data score thresholds to avoid loss of reimbursements due to coding services backlogs.

Section 1115 Waiver Payment Incentive Programs

The current Section 1115 Waiver reimbursements are estimated to be \$879.0 million for FY 2019-20. This requires more detailed coding of inpatient and outpatient services to demonstrate performance on quality and service delivery targets.

THIMPS

The THIMPS Agreements serve as a supplemental coding service option to the valuable coding services provided by the existing County workforce resources. THIMPS Agreements are utilized for coding services, only after all existing County resources have been fully exhausted, e.g., during unforeseen emergencies, intermittent high peak workloads and vacation coverage at DHS facilities. In addition, the THIMPS Agreements are used to assist with backlogs and workload that cannot be completed due to lack of permanent County coding workforce resources. At this time, the largest backlogs are in the area of inpatient coding at DHS' two largest hospitals, LAC-USC MC and H-UCLA MC.

The THIMPS Agreements play a significant role in addressing the current coding backlog and without other likely short-term options, DHS will need to utilize THIMPS Agreements until full staffing is achieved to meet the increased workload demands. THIMPS Agreement services enable the County to ensure medical codes are applied correctly for medical billing processes, including the abstraction of information from documentation, assignment of appropriate codes and creation of claims or encounter data to be paid through reimbursements from various payer sources.

DHS is committed to sustaining, and whenever possible enhancing claims and encounter data reimbursements that support County patients' healthcare needs. Accordingly, DHS applies a multi-faceted approach to recovering claims and encounter data reimbursements including: 1) fully utilizing existing County staff to perform coding services; 2) supplementing coding services with THIMPS Agreement services when County resources have been fully exhausted; 3) collaborating with SEIU Partners at monthly Labor Management Partnership Coding Committee meetings to provide and receive important workforce feedback on current hiring trends, and providing SEIU Partners updates regarding DHS' coding service needs; and 4) assertively recruiting from DHS Human Resources (HR) promulgated lists to hire high performing internal and external candidates that have demonstrated both coding speed and accuracy on County exams.

DHS Recruitment Strategies

DHS' strategic efforts to recruit high performing coding classification candidates has resulted in six pending new hires, and 12 promotions of highly qualified and productive coding personnel. DHS is targeting an additional 32 positions for recruitment in the coming months. After these positions are filled, DHS anticipates requesting additional future staffing resources to meet increased workload demands.

Recruiting efforts in the past two years have included HIM management working closely with DHS HR Division to update the class specifications for Health Information Associate (HIA), Health Information Senior Technician (HIST), and Health Information Technician (HIT) positions. Also, an objective component was added to the HIA, HIST and HIT

County exams to include scenario-based multiple-choice questions that measured a candidate's knowledge of established Coding Guidelines and ability to abstract pertinent information. This is anticipated to increase the likelihood that newly hired coding professionals will have the needed skills to provide high productivity levels and produce quality data output to secure higher levels of claims and encounter data driven reimbursements.

DHS has taken action to request additional positions through the FY 2019-20 budget process, and will take all necessary actions to expeditiously fill as many existing vacancies and future budgeted positions with high performing coding services individuals.

Approval of the first recommendation will allow DHS to execute amendments to the current THIMPS Agreements, substantially similar to, Exhibit I, to extend the Agreements for two years until and through June 30, 2021; and offer and sign form THIMPS Agreements with additional qualified firms, in the event County needs additional firms to provide THIMPS services for the same period, with an option to extend all aforementioned agreements for an additional six-month period until and through December 31, 2021. DHS is committed to only using THIMPS services when all existing County resources have been fully exhausted, in order to secure critically important reimbursement streams that support the County's ability to provide quality medical services to County residents.

Approval of the second recommendation will allow DHS to amend the THIMPS Agreements to update contract language, as necessary, continue to meet temporary health information management staffing needs at various County medical facilities, and make operational workflow and non-substantive changes, as well as maintain compliance with government regulations and fulfill County needs.

Approval of the third recommendation will allow DHS to execute amendments to the THIMPS Agreements to apply rate increases, based on a salary survey and analysis of rates applicable to private industry, not to exceed 25% over current rates and available funding; and to exercise term extension options, subject to review and approval by County Counsel and notification to the Board. These processes will allow the County to become nimble in a fast-paced industry and remain competitive in contracting with the most qualified and experienced temporary THIMPS contract staff available when existing County resources are fully exhausted, thus enabling DHS to sustain, modify and whenever possible enhance its ability to secure claims and encounter data reimbursements from various government and other payer sources.

Approval of the fourth recommendation will allow DHS to suspend or terminate any of the THIMPS Agreements, on behalf of County, in accordance with applicable termination provisions in the respective Agreements.

DHS will continue to develop strategies to minimize DHS' reliance on contracting out positions and work with HR to report on how the hiring process can be expedited to reduce contracting out positions. Quarterly reports to the Board will continue be filed with the Executive Office to demonstrate the continued efforts to reduce reliance on the use of these agreements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions will support Strategy III.3 “Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated annual cost for the THIMPS Agreements is up to \$14.0 million, and the total costs for all agreements are not to exceed \$35.0 million through December 31, 2021. Other departments may be allowed to use these services based upon the availability of funds in their respective budgets, and will be responsible for payments to the contractors.

Funding will be requested in the DHS FY 2019-20 Supplemental Budget Resolution and will be requested in future fiscal years, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County has contracted with temporary health information management personnel services registries for many years to address critical medical records coding service needs, after existing County resources have been fully exhausted. Exhibit I, the form amendment to the THIMPS Agreement, includes all Board required provisions, including the most recent required provisions. The form Agreement is non-negotiable. All Contractors agree to the same standard terms and conditions.

The THIMPS Agreements may be terminated for convenience by the County upon 30-days prior written notice.

County Counsel has approved Exhibit I, as to form.

THIMPS Agreements are Non-Proposition A Agreements for the reason that the services are of an extraordinary professional or technical nature and the services are of a temporary nature (as stated in Los Angeles County Code 2.121.250) and, therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201). It has been determined that the services under these agreements do not impact Board Policy No. 5.030, “Low Cost Labor Resource Program,” because of the specialized training and education needed to perform the work.

CONTRACTING PROCESS

Exhibit I has been standardized for DHS. Prospective contractors have no ability to negotiate the County’s terms and conditions. In order to ensure that DHS facilities continue to have sufficient THIMPS, upon Board approval, the current contractors will be offered a two-year extension to their current THIMPS Agreements until and through June 30, 2021, with an option to further extend the term for six months until and through December 31, 2021.

In the event additional firms are necessary to meet workload needs during the term of the recommended agreements, qualified firms can apply for a form Agreement. The respective administrators at DHS facilities will be responsible for initially screening interested firms to ensure that they have qualified staff available to provide services to the County. Once identified, potential contractors will be required to complete a certification of qualifications questionnaire, which will then be reviewed and approved by County Counsel, to determine whether the firm qualifies to receive a THIMPS Agreement. County staff will review each potential contractor's articles of incorporation and by-laws, licensing status, insurability and conduct reference checks.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure that as-needed temporary health information management personnel services will continue uninterrupted for County DHS facilities and sustain critical claims and encounter data reimbursements that support the healthcare interests of County residents.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

CRG:sd

Enclosure

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Agreement No. _____

TEMPORARY HEALTH INFORMATION MANAGEMENT
PERSONNEL SERVICES

Amendment No.____

This AMENDMENT is made and entered into this _____ day of _____,
2019,

By and between COUNTY OF LOS ANGELES (hereafter "County"),

And «PROVIDER_NAME» (hereafter "Contractor")

Business Address:
«Address_1»
«City», «State» «Zip»

WHEREAS, reference is made to that certain document entitled "TEMPORARY HEALTH INFORMATION MANAGEMENT PERSONNEL SERVICES (THIMPS)," dated _____ , and further identified as Agreement No. _____, including any amendments thereto (all hereafter "Agreement"); and

WHEREAS, on June 11, 2019 the Board of Supervisors, delegated authority to the Director of Health Services, or designee, to execute successor form THIMPS Agreement; and

WHEREAS, it is the intent of the parties hereto to amend the THIMPS Agreement to extend its term until and through June 30, 2021, with a six-month term extension option until and through December 31, 2021, and to provide for the other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance to Subparagraph 8.1.2, Amendments, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall become effective upon execution by both parties.
2. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as if fully set forth herein.

3. The Agreement, Paragraph 4.0, TERM OF AGREEMENT, Subparagraph 4.1, is deleted in its entirety and replaced to read as follows:

“4.1 The term of this Agreement shall commence upon execution by the parties as is reflected on the top of page 1 of the Agreement and shall continue in full force and effect until and through June 30, 2021, with a six-month term extension option until and through December 31, 2021, at the sole discretion of the Director, or designee. Notwithstanding the foregoing, the County through the Director may terminate this Agreement at any time, for any reason, with or without cause, by providing at least thirty (30) calendar days' prior written notice thereof to Contractor.”

4. The Agreement, Paragraph 5.0, BILLING AND PAYMENT, is modified to add Subparagraph 5.6, **Default Method of Payment: Direct Deposit or Electronic Funds Transfer (EFT)**, to read as follows:

“5.6 **Default Method of Payment: Direct Deposit or Electronic Funds Transfer (EFT)**

5.6.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement/contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

- 5.6.2 The Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 5.6.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.
- 5.6.4 Any time during the duration of the Agreement, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), shall decide whether to approve exemption requests.”

5. The Agreement, Paragraph 7.7, Confidentiality is deleted in its entirety and replaced to read as follows:

“7.7 Confidentiality:

- 7.7.1 Contractor shall maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 7.7.2 Furthermore, Contractor shall: (i) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such records or information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than the County without County’s prior written authorization that the information is releasable; and (iv) at the expiration or

termination of this Agreement, return all such records and information to County or maintain such records and information in accordance with the written procedures that may be provided or made available to Contractor by County for this purpose.

7.7.3 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, agents and volunteers, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, related to third party claims, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 2. County shall have the right to participate in any such defense at its sole cost and expense. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.7.4 Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.7.5 Contractor shall sign and adhere to the provisions of the "Contractor Acknowledgement and Confidentiality Agreement", Exhibit F."

6. The Agreement, Paragraph 8.5, **CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**, is deleted in its entirety and replaced to read as follows:

"8.5. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIERCOVERED TRANSACTIONS (2 C.F.R. PART 376):

The Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, the Contractor

certifies that neither it nor any of its owners, officers, partners, directors, other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, the Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. The Contractor shall immediately notify the County in writing, during the term of this Agreement, should it or any of the aforementioned parties either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. The Contractor is responsible to reimburse the County for all associated costs (repayment, fine and/or penalty) that may be incurred as a result of inappropriate claims submitted by or on behalf of one of their staff or vendors who was excluded or suspended regardless of the Contractor's prior knowledge of such exclusion or suspension. Failure of the Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

7. The Agreement, Paragraph 8.18, **COUNTY'S QUALITY ASSURANCE PLAN**, is deleted in its entirety and replaced to read as follows:

"8.18 COUNTY'S QUALITY ASSURANCE PLAN:

The County or its agent will monitor the Contractor's performance under this Agreement on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. The Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement."

8. The Agreement, Paragraph 8.62, **COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES**, is added to read as follows:

“8.62 COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor’s violation of this paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.”

9. The Agreement, Paragraph 8.63, **COMPLIANCE WITH THE COUNTY POLICY OF EQUITY**, is added to read as follows:

“8.63 COMPLIANCE WITH THE COUNTY POLICY OF EQUITY

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services, or designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of Health Services

CONTRACTOR

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____
VICTORIA MANSOURIAN
Principal Deputy County Counsel