Health Services
LOS ANGELES COUNTY

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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.

November 13, 2012

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 TO AGREEMENT WITH PROVIDER ADVANTAGE, NW INCORPORATED
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

CIO RECOMMENDATION: APPROVE ( ) APPROVE WITH MODIFICATION (X)
DISAPPROVE ( )

SUBJECT

Request approval of Amendment No. 3 to Agreement No. H-701910 with Provider Advantage, NW Incorporated to extend the term of the Agreement.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of Health Services (Director), or his designee, to: 1) execute Amendment No. 3 to Agreement No. H-701910 with Provider Advantage, NW Incorporated (PA), effective upon Board approval, to extend the term of the Agreement to December 31, 2017 to be coterminous with the QuadraMed Affinity Agreement (QM) for software which generates Health Insurance Portability and Accountability Act (HIPAA) compliant eligibility inquiries to various third party payers as required by Federal regulations at a cost of $4,114,093 for a total revised maximum contract sum of $7,147,529 for the extended period; and 2) make other changes to the Agreement related to interface upgrades, expanded transactions and piloting of the Address and Demographic Validation Services (ADVS) component.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommendation allows the Director to execute an Amendment, substantially similar to Exhibit I, to extend the term of the Agreement with PA to be coterminous with the QM Agreement since a significant amount of PA's customized programming was designed to specifically work with the QM software to aid clinicians in the coordination of patient care. This customization represents a significant investment of Department of Health Services' (DHS) funding and staff time. In addition, the PA and QM Agreements will continue to be interdependent through the end of QM's contract term since the upcoming Electronic Health Record (EHR) Agreement will not include a patient accounting component.

The recommended Amendment also enables LAC+USC Medical Center (LAC+USC MC) to complete the ADVS pilot that is anticipated to reduce the volume of account collection data mailers returned due to bad addresses, improve patient financial collection efforts, and facilitate patient appointment scheduling and follow-up communications. The Board previously approved an Agreement Amendment No. 2 on February 15, 2011 to add ADVS to the Agreement with a pilot program at LAC+USC MC for the period March 1, 2011 to February 29, 2012. However, this implementation was delayed due to unforeseen circumstances including upgrades to the software and hardware used to more efficiently process the large volumes of transactions projected.

Pursuant to the Agreement, PA provides software which generates HIPAA-Compliant eligibility inquiries to various third-party payers as required by federal regulations and is the primary source for the verification of eligibility for fee-for-service and managed care payers through HIPAA-Compliant 270/271 transactions. The recommended Amendment expands the use of these transactions to enable clinical staff to determine medical home and empanelment data, and to provide protection to DHS' $789 million dollar revenue base as the Department moves toward the expansion of managed care.

The existing PA interface was purchased in 2006 to work only with the QuadraMed Software. It is DHS' intention to implement interface upgrades and improvements to the PA software through December 31, 2017 with the implementation of the EHR software.

Implementation of Strategic Plan Goals

The recommended actions support Goal 2, Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The contract sum will be increased by $4,114,093 for total maximum contract sum of $7,147,529.

Funding is included in DHS' Fiscal Year 2012-13 Final Budget and will be requested in future fiscal years, as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 21, 2006, the Board approved a sole source Agreement with PA for software. On March 3, 2009, the Board approved an extension of the term of the Agreement through March 31, 2014.

County Counsel has approved Exhibit I as to form. The Chief Information Officer concurs with the

DHS' recommendation and that Office's analysis is attached (Attachment A).

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will enable the continued use of HIPAA-Compliant 270/271 eligibility inquiries to various third-party payers to protect DHS' revenue base.

Respectfully submitted,

Mitchell H. Katz, M.D.
Director

RICHARD SANCHEZ
Chief Information Officer

MHK:RS:skd

Enclosures

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

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO

CIO Analysis

Number:	DATE:
CA 12-20	10/11/2012

Subject:

APPROVAL OF AMENDMENT NO. 3 TO AGREEMENT H-701910 WITH PROVIDER ADVANTAGE, NW INCORPORATED TO EXTEND THE TERM OF THE AGREEMENT

RECOMMENDATION:

☒ Approve ☐ Approve with Modification ☐ Disapprove

CONTRACT TYPE:

☐ New Contract ☐ Sole Source
☒ Amendment to Contract #: H-701910 ☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software ☐ Hardware
☐ Telecommunications ☒ Professional Services

SUMMARY:

Department Executive Sponsor: Mtchell H. Katz, M.D.

Description: Department of Health Services (DHS) is requesting authorization to execute: 1) Amendment No. 3 to Agreement No. H-701910 with Provider Advantage, NW Incorporated (PA) to extend the term of the Agreement to December 31, 2017 to be coterminous with the QuadraMed Agreement (QM) for software which generates Health Insurance Portability and Accountability Act (HIPAA) compliant eligibility inquiries to various third-party payers as required by Federal regulations at a cost of $4,114,093 for a total revised maximum contract sum of $7,147,529 for the extended period; and 2) Other changes to the Agreement are related to interface upgrades, expanded transactions and piloting of the Address and Demographic Validation Services (ADVS) component.

Contract Amount: $4,114,093 Funding Source: DHS Operating Budget

☐ Legislative or Regulatory Mandate ☐ Subvened/Grant Funded: Enter %

Strategic and Business Analysis

PROJECT GOALS AND OBJECTIVES:

Approval of this Amendment allows expanded access to PA services and software, which support automated HIPAA-compliant eligibility requests for third-party payers, fee-for-service, and manage care payers. Verification of this information supports the collection of $789 million in annually revenue for DHS.

BUSINESS DRIVERS:

This Amendment supports expanded use of the existing HIPAA-Compliant 270/271 functionality to better manage and coordinate patient care for the Department's Ambulatory Care Network (ACN) and allows LAC+USC Medical Center to complete the ADVS pilot. This pilot is expected to reduce the volume of account collection data mailers returned due to bad addresses, improve patient financial collection efforts, and facilitate patient appointment scheduling and follow-up communications.

PROJECT ORGANIZATION:

DHS Financial Services is the project sponsor and administers the contract. PA provides application management services, and Olive View Medical Center's information technology staff provides hardware support.

PERFORMANCE METRICS:

The principal metric is the successful generation of verification requests to support revenue collection from various payer programs. The Agreement is structured to allow for curtailment of the services if efficiencies are developed in-house. The successful implementation of the AVDS will reduce the number of errors in mailing and improve revenue collection.

STRATEGIC AND BUSINESS ALIGNMENT:

The project aligns with the County's Strategic Plan Goal 4, Health and Mental Health.

PROJECT APPROACH:

The upgrades to system interfaces and PA software enhancements will implemented in phases by DHS facility.

ALTERNATIVES ANALYZED:

PA's software is integrated with DHS' Healthcare Information System (HIS), QM, and is used to obtain patient healthcare eligibility during registration. No other alternatives were analyzed.

Technical Analysis	ANALYSIS OF PROPOSED IT SOLUTION: PA's software product is called Revenue 360 and has been customized to work with DHS' QuadraMed Affinity HIS. Each DHS facility operates a HIS that sends transactions to Revenue 360 software application, which is hosted on servers at the OVMC Data Center. The Revenue 360 application converts the DHS HIS transactions into a HIPPA-compliant 270 eligibilty requests and transmits them to State, Federal, and other payer systems. In return, it receives positive benefit eligibility information via compliant 271 tranactions back from those systems.

Financial Analysis	BUDGET: Contract costs One-time costs: Hardware..... $ 0 Software ..... $ 35,000 Services ..... $ 67,548 Ongoing annual costs: Hardware..... $ 0 Software ..... $ 0 Services ..... $ 4,011,545 **Sub-total Contract costs:** **$** 4,114,093 Other County costs: NA One-time costs: Hardware ..... $ 0 Software ..... $ 0 Services (ISD) ..... $ 0 County staff (existing) ..... $ 0 County staff (net new) .... $ 0 **Sub-total one-time County costs:** $ 0 Ongoing annual costs: Hardware..... $ 0 Software ..... $ 0 Services (ISD)..... $ 0 Services (Contractor) ..... $ 0 County staff (existing) ..... $ 0 County staff (net new) .... $ 0 **Sub-total ongoing County costs:** **$** 0 **Total one-time costs:** **$** 102,548 **Total ongoing annual costs:** **$** 4,011,545 Funding for this Amendment will be funded by DHS' operating budget. The service fee includes the cost of growing transactions and some programming.

Risk Analysis	RISK MITIGATION: 1. There is minimal risk for this Agreement, PA's Revenue 360 is a preexisting and tested COTS system that interfaces with DHS' QuadraMed Affinity HIS and will handle higher transaction volumes. 2. There is no significant security risk, the system has been in production since 2003 and all the security risks have been identified and addressed. 3. The Chief Information Security Officer (CISO) has reviewed the Amendment and did not identify any IT security or privacy related issues.
CIO Approval	PREPARED BY: Sanmay Mukhopadhyay, Sr. Associate CIO — Date: 10/25/12 APPROVED: Richard Sanchez, County CIO — Date: 10-25-12

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at http://ciointranet.lacounty.gov/

EXHIBIT I
H-701910

PROVIDER ADVANTAGE NW, INCORPORATED
HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE SOFTWARE AGREEMENT

AMENDMENT NO. 3

THIS AMENDMENT is made and entered into this _____ day

of _____, 2012,

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

and PROVIDER ADVANTAGE, NW
INCORPORATED
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE SOFTWARE AGREEMENT", dated March 21, 2006 and further identified as County Agreement No. H-701910, and any amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to: 1) extend the term of the Agreement to be coterminous with a County Agreement with QuadraMed and increase the maximum contract sum, 2) amend the start date of the pilot project for the Address and Demographic Validation Service (ADVS) component to the Health Insurance Portability and Accountability Act (HIPAA) Compliant 270/271 Eligibility Response Software to begin in Fiscal Year 2012-13 at LAC+USC Medical Center ("LAC+USC MC"), and 3) make other herein described changes; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by both parties.

NOW THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective upon the date of its approval by the County's Board of Supervisors.

2. Paragraph 5, entitled, "TERM", shall be deleted in its entirety and replaced with the following:

   "5. TERM:

   5.1 The Term of this Agreement shall commence March 21, 2006 and shall continue in full force and effect through December 31, 2017.

   5.2 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes.

   5.3 The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the DHS."

3. Agreement Paragraph 8.2, "Maximum Contract Sum" shall be deleted in its entirety and replaced with the following:

"8.2 Maximum Contract Sum:

8.2.1 The revised Contract sum for all services for the period March 21, 2006 to December 31, 2017, including all applicable taxes, authorized by County hereunder shall not exceed Seven Million, One Hundred and Forty-Seven Thousand, Five Hundred and Twenty-Nine dollars ($7,147,529), in accordance with schedule B-2, SCHEDULE OF PAYMENTS.

8.2.2 The Contract Sum shall not be adjusted for any costs or expenses whatsoever of Contractor."

4. Exhibit A-2, STATEMENT OF WORK shall be deleted in its entirety and replaced with Exhibit A-2, STATEMENT OF WORK, attached hereto. Exhibit B-2, SCHEDULE OF PAYMENTS, shall be deleted in its entirety and replaced with Exhibit B-2, SCHEDULE OF PAYMENTS, attached hereto.
5. Except for the changes set forth herein above, 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 Agreement to be executed by its Director of Health Services, and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D
Director

PROVIDER ADVANTAGE, NW INCORPORATED
Contractor

By _____
Signature

_____
Print Name

Title _____

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

EXHIBIT A-2
(Revised)

REVENUE360®
STATEMENT OF WORK (SOW)
(Supersedes SOW in Amendment #2)

HIPAA COMPLIANT 270/271 ELIGIBILITY SOFTWARE
DEMOGRAPHIC VALIDATION SOFTWARE

BACKGROUND AND OVERVIEW

270/271 ELIGIBILITY SOFTWARE

a) The Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 **(**HIPAA), Title II requires the Department of Health and Human Services to establish national standards for electronic health care transactions and national identifiers for providers, Health Plans, and employers. Under the HIPAA Administrative Simplification Provisions, 270/271 transactions were adopted under 45 CFR 162 as the Electronic Data Interchange (EDI) standard for Health Care Eligibility Benefit Inquiry/Response. The 270/271 is a "paired" transaction: the 270 is an outbound eligibility inquiry and the 271 is an inbound eligibility response. Response times are measured in seconds. This process would be a significant improvement over telephone inquiries or paper methods of eligibility determination. All other real time formats for health care eligibility inquiry and response, other than Direct Data Entry (DDE), became obsolete effective October 16, 2003.

b) In order to be in compliance with the HIPAA rules, the County, a covered entity, is mandated to abide by the ANSI X12 270/271 eligibility standard formats. For this reason, it is essential that the County continue to retain the Revenue360® Eligibility software to run in the background of the Healthcare Information System (HIS) registration process, which is managed by QuadraMed (QM), to obtain patient healthcare eligibility status via the 270/271 transaction enabling registration areas the capability to inquire in real-time. These continued services are required to remain HIPAA compliant.

c) Revenue360® Eligibility, as defined in Attachment 1, is a software product that automates the process of interfacing QM Affinity's® ANSI compliant X12 270 transaction (Eligibility and Benefit Request) and the X12 271 transaction (Eligibility and Benefit Response) EDI module that can connect with California Medicaid ("Medi-Cal"), Centers for Medicare and Medicaid Services (for "Medicare" transactions) and a wide variety of Health Plans nationwide, providing the most current eligibility and benefit information available. Revenue360® Eligibility and other services provided as described in Attachment 2 (Retroactive Self-pay Identification Module ('RIM') Version 1.0 Summary), and 3 (Customer Support Requirements) of this document are subject to the monthly fees detailed in Exhibit B-2 of this document.

d) While making every effort to comply with the federally mandated HIPAA Transaction Code Set (TCS) Health Care Eligibility Benefit Inquiry/Response Transaction (270/271) standard, it is essential that the County continue to use the QM EDI X12 270/271 Eligibility and Benefits tool set. Some of the functionality of this tool includes generating eligibility request (270) in the standardized federal format to payers in an on-line real time manner, using standardized interface functionality to view coded messages, generating multiple eligibility requests (270) to the same payer, viewing the returned eligibility data (271) from multiple locations within Affinity, storing multiple eligibility replies (271) to a single request (270) and automatically creating an eligibility request (270) at the point of patient registration based on payer source and patient service.

DEMOGRAPHIC VALIDATION SOFTWARE

e) The Revenue360® integrated Demographic Validation solution enhances patient identity management through the verification of patient name, date of birth, social security number and address. The Revenue360® Demographic Validation module can be used to verify patient/guarantor address validity, confirm patient/guarantor demographic information, as well as to locate unknown patient/guarantor address or demographic details.

This is accomplished in real-time mode by using a combination of the patients demographic data captured during the registration process. Revenue360® utilizes predefined business rules, created during product implementation, to verify patient's demographic information against the Demographic Validation data source for accuracy. Response times are measured in seconds.

The Revenue360 Address Validation Module verifies address validity and standardizes existing address information via integrated United States Postal Services (USPS) Address Matching System technology for defined patient populations.

The Address Validation portion of the Demographic Validation module enables County facilities to provide better patient care. Appointment scheduling and follow up communication is more effective when correct addresses are maintained within the Affinity system. Billing communication is also generated based on the address stored in Affinity, and the use of the Address Validation module will reduce the bad address returned mail volume.

Improving address accuracy during patient screening improves the County's ability to identify third party coverage and increase the success of self-pay collection. It is expected that by reducing the number of accounts going to collections, the fees paid to the County's contingent fee vendors will decrease. For this reason, it is essential that the County utilize the Revenue360® Demographic Validation software to run in the background of the HIS registration process, managed by QM, to obtain

patient address and demographic information, providing registration areas the capability to inquire on demand.

f) Revenue360® Demographic Validation, as defined in Attachment 1, is a software product that automates the process of communicating with Affinity's® Demographic Validation interface, providing the most current patient address and demographic information available, for update to the patient record.

   Revenue360® Demographic Validation and other services provided as described in Attachment 1, and 3 (Customer Support Requirements) of this document are subject to the monthly fees detailed in Exhibit B-2 of this document.

g) The Revenue360® integrated Demographic Validation Module is a proprietary solution for Affinity, designed to only work with QM and Provider Advantage applications.

   The system will be fully integrated to interface with Affinity and will function through the use of Affinity and web browser screens. The business rules governing the patient types and screening frequency will be defined by the County to maximize receipt of valid data. Some of the functionality of this module includes manually generating an Address Validation and/or Demographic Validation request, automating request submission based on rules (bad address flag etc.), reviewing demographic or address results, selecting single result from multiple records, posting selected data elements to the field level in Affinity. The module requires Affinity M8SP1 for integration.

TASK No. 1.0 – System Maintenance - 270/271 Eligibility Software:

Subtask 1.1 –Contractor shall provide System Maintenance, ***Product Updates***, additional maintenance, Customer Support and Customer Support for additional Products or Services. Upgrades and revisions required to maintain compliancy with federal/state regulations will be made by the contractor at no cost to the County.

Deliverable 1.1 – Contractor shall provide System Maintenance on a base monthly fee, including Product ***Updates*** (not rewrites or ***Upgrades unless Contractor provided similar upgrades to Contractor's other customers at no additional cost)*** needed to process transactions. Additional maintenance and customer support after business hours and Customer Support for additional Products or Services will be provided on a time and materials basis under the fees for custom programming as described in Exhibit B-2. Upgrades and revisions required to maintain compliancy with federal/state regulations will be made by the contractor at no cost to the County.

The Revenue360® Eligibility, Retroactive Self-pay Identification Module (RIM) and Demographic and Address Validation programs are described in Exhibit A-2, Attachments 1, 2 and 3.

Contractor may provide Customer Support for additional Products or Services not specified in these paragraphs under the fees as described in Exhibit B-2, if such Customer Support is specifically requested in the applicable Software Change Request Form (see Exhibit B-2, Attachment 1).

All of the following items will be considered part of the system maintenance and covered under the fixed monthly fee:

a. Maintenance of Revenue360® software (formerly Veri*Link* Eligibility).
b. Maintenance of the RIM module as defined in the Version I (one) design document (see Attachment 3).
c. Updates to the software as released from time to time to other customers or as identified by Contractor or County to improve processing and agreed to by Contractor.
d. Upgrades will be provided at no additional cost to the County when Contractor provided similar upgrades for Contractor's other customers at no additional cost.
e. Processing transactions within the Revenue360® Eligibility processing design limitations.

TASK No. 1a Interface Upgrade and Replacement

Subtask 1a.1 Contractor shall replace the interfaces that connect Provider Advantage with the current and any future Hospital Information System that may be implemented to facilitate the implementation of the new electronic health record. Programming hours will be necessary in order to meet the County's needs and are estimated at the per hour contract rates as set forth in Exhibit B-2 task 4.0. All work will be authorized in writing prior to the commencement of any programming.

Deliverable 1a.1 County shall reimburse contractor at the rates set forth in Exhibit B-2 to replace and upgrade the required interface. The transfer to the new interface will occur on a facility by facility schedule expected to span 3 fiscal years. Funding for this deliverable will be rolled over to subsequent years to ensure that the interface replacement project is completed.

TASK No. 2.0 – Clearing House Eligibility Transactions- 270/271 Eligibility Software

Subtask 2.1 – Clearing House Eligibility Transactions

The Contractor shall process Clearing House transactions though the Revenue360® Eligibility System for commercial payers on a per transaction fee basis (see Exhibit B-2 - Schedule of Payments).

Deliverable 2.1 - Clearing House Eligibility Transactions

The County will pay for clearing house transactions at the rate per transaction as specified in Exhibit B-2.

TASK NO. 3.0 – Processing After Design Limits Exceeded - 270/271 Eligibility Software:

Subtask 3.1 – Contractor shall provide resources to process transactions when the volume exceeds the system design limitations.

Deliverable 3.1 – Transaction Processing after Design Limit Exceeded: Contractor shall provide commercially reasonable efforts to modify the provided Products and/or provide Customer Support so as to enable County to process transactions when the volume reaches or exceeds the Products' design limitations. County shall pay for transactions in excess of design limitation on a per transaction basis as specified in Exhibit B-2.

This version of Revenue360® software was written specifically to meet County's requirements for processing speed and capacity with applicable updates that Contractor shall provide County from time to time. Currently, Revenue360® Eligibility has a processing design limitation of 600,000 Admissions Eligibility transactions per month and 2,400,000 RIM Transactions per month.

TASK NO. 4.0 – Professional Services- 270/271 Eligibility Software:

Subtask 4.1 – Contractor shall provide Professional Services on a time and materials basis using the hourly rates in Exhibit B-2 according to a Requirements Document and Work Order (Software Change Request) executed by both parties. The County will pay only for authorized Professional Services when the County authorizes this work in writing (see Exhibit B-2, Professional Services Fees).

1. Class A Technician

   A Class A Technician directs and manages activities of Contractor's staff to accomplish such tasks and objectives as are defined from time to time by Contractor and County. A Level A individual may report to the County's Project Director regarding performance, personnel matters, operating standards, systems evaluation and actions on all activities performed by Contractor Personnel.

2. Class B Technician

   A Class B Technician provides consultation regarding specific tasks and objectives defined from time to time by Contractor and County related to the general operation and support of the system.

3. Class C Technician

   A Class C Technician provides assistance in analysis, design, programming, documentation writing and edition, training, testing, maintenance, review, installation and implementation of original or previously written programs, systems, utilities or functions.

Deliverable 4.1 – Custom Programming

County shall reimburse Contractor for reasonable and necessary time and expenses incurred by Contractor to resolve issues which are necessitated by reasons other than the Products not meeting ***Specifications***, including any time and expenses incurred relative to rendering any computer or Local Area Network (LAN) capable of operating the Product licensed under this Agreement (see Exhibit B-2, Schedule of Payments).

TASK NO 5.0 – Onsite Training - 270/271 Eligibility Software:

Subtask 5.1 – Onsite Training

Contractor shall provide onsite training on an as needed basis. Contractor staff will be billed at the per diem rate of $1,000 per day, per person with a maximum of five days per trainer, (see Exhibit B-2, Schedule of Payments). Contractor will bill County for travel and lodging expenses for training staff.

Deliverable 5.1 – Onsite Training

Contractor shall provide onsite training to the County charging a per diem rate for staff time. The County shall reimburse only actual travel and lodging expenses subject to the Auditor Controller's Travel policy detailed in Chapter 12 of the Fiscal Manual. The amounts paid will not exceed the County Auditor-Controller's guidelines.

County will provide one individual staff member to attend all scheduled sessions to represent County.

Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

TASK 6.0 – Pool Dollars - 270/271 Eligibility Software:

Subtask 6.1 - Surcharges

Contractor shall pass through without additional mark-up to the County any telecommunications surcharges or other surcharges, etc., assessed by a Health Plan or telecommunications carrier to Contractor that is related to the agreement, but is outside the agreement. See Exhibit B-2, Schedule of Payments.

Contractor shall pass through without additional mark-up to the County any increases in communication tariffs related to services or any fees charged for access to data including, government imposed access fees, fees resulting from changes in regulation or statute, or other similar fees assessed against the Contractor that are outside of the Contractor's control.

Deliverable 6.1 - Surcharges

Contractor shall invoice to the County telecommunications or other surcharges assessed by a Health Plan or telecommunications carrier to Contractor without additional mark-up. County shall pay Contractor for surcharges as described above according to Exhibit B-2, Schedule of Payment.

Contractor shall invoice to the County any increases in communication tariffs related to services or any fees charged for access to data including, government imposed access fees, fees resulting from changes in regulation or statute, or other similar fees assessed against the Contractor that are outside of the Contractor's control, without additional mark-up. County shall pay Contractor for surcharges as described above according to Exhibit B-2, Schedule of Payment.

Subtask 6.2 – Reports

Contractor shall provide customized management reports in formats and time frames, as reasonably requested by the Director and agreed to by the Contractor at no additional cost to the County. The specifications for these reports will be determined by mutual agreement by the County and Contractor.

Contractor shall meet to discuss any recommendations to adjust the System or improve performance of the Software/Product on the System to achieve optimal performance of the Product in the existing System environment. Contractor shall provide written reports including recommendations as requested by Director and agreed upon by the Contractor at no additional cost to the County.

Deliverable 6.2 – Reports

Upon the Director's request, Contractor shall work with the County to determine the specifications of the report(s) requested and provide customized management report(s) in formats and timeframe agreed upon by Director and Contractor at no additional cost to the County.

Contractor shall analyze the System's performance and provide written performance review reports and recommendations as requested by Director at no additional cost to the County.

TASK NO. 7.0 – Professional Services- Demographic Validation Software:

Subtask 7.1 – Contractor shall provide Professional Services on a time and materials basis using the hourly rates in place with the QM contract, including all Consumer Price Index (CPI) or other adjustments according to a Requirements Document and Work Order (Software Change Request) executed by both parties. The County will pay only for authorized Professional Services when the County authorizes this work in writing (see Exhibit B-2, Professional Services Fees).

1. Class A Technician

   A Class A Technician directs and manages activities of Contractor's staff to accomplish such tasks and objectives as are defined from time to time by Contractor and County. A Level A individual may report to the County's Project Director regarding performance, personnel matters, operating standards, systems evaluation and actions on all activities performed by Contractor Personnel.

2. Class B Technician

   A Class B Technician provides consultation regarding specific tasks and objectives defined from time to time by Contractor and County related to the general operation and support of the system.

3. Class C Technician

A Class C Technician provides assistance in analysis, design, programming, documentation writing and edition, training, testing, maintenance, review, installation and implementation of original or previously written programs, systems, utilities or functions.

Deliverable 7.1 – Custom Programming

County shall reimburse Contractor for reasonable and necessary time and expenses incurred by Contractor to resolve issues which are necessitated by reasons other than the Products not meeting ***Specifications***, including any time and expenses incurred relative to rendering any computer or Local Area Network (LAN) capable of operating the Product licensed under this Agreement (see Exhibit B-2, Schedule of Payments).

TASK NO 8.0 – Onsite Training - **Demographic Validation Software:**

Subtask 8.1 – Onsite Training

Contractor shall provide onsite training on an as needed basis. Contractor staff will be billed at the per diem rate of $1,000 per day, per person with a maximum of five days per trainer, (see Exhibit B-2, Schedule of Payments). Contractor will bill County for travel and lodging expenses for training staff.

Deliverable 8.1 – Onsite Training

Contractor shall provide onsite training to the County charging a per diem rate for staff time. The County shall reimburse only actual travel and lodging expenses subject to the Auditor Controller's Travel policy detailed in Chapter 12 of the Fiscal Manual. The amounts paid will not exceed the County Auditor-Controller's guidelines.

County will provide one individual staff member to attend all scheduled sessions to represent County.

Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

TASK No. 9.0 – Address Validation Transactions- Demographic Validation Software:

Subtask9.1 – Address Validation Transactions

The Contractor shall provide Address Validation transactions through Revenue360® on a subscription pricing basis (see Exhibit B-2, Schedule of Payments). Contractor will provide up to date transaction volume reporting, by facility for the current month, on a bi-monthly basis.

Deliverable 9.1 –Address Validation Transactions

The County will pay for Address Validation transactions on a subscription pricing basis, as specified in Exhibit B-2 - Schedule of Payments. Contractor will provide transaction volume reporting by facility, for the current month, on a bi-monthly basis.

TASK No. 10.0 – Demographic Validation Transactions - Demographic Validation Software:

Subtask 10.1 – Demographic Validation Transactions

The Contractor shall provide Demographic Validation transactions through Revenue360® on a subscription pricing basis (see Exhibit B-2 - Schedule of Payments). Contractor will provide up to date transaction volume reporting, by facility for the current month, on a bi-monthly basis.

Deliverable 10.1 – Demographic Validation Transactions

The County will pay for Demographic Validation transactions on a subscription pricing basis, as specified in Exhibit B-2. Contractor will provide transaction volume reporting by facility, for the current month, on a bi-monthly basis.

TASK No. 11.0 – Demographic Validation & Address Validation Licensing - Demographic Validation Software:

Subtask 11.1 – Demographic Validation & Address Validation Licensing

The Contractor shall license the Revenue360® Demographic Validation and Address Validation module to the County at a fixed price basis, as defined in Exhibit B-2, Schedule of Payments.

Deliverable 11.1 – Demographic Validation & Address Validation Licensing

The Contractor shall license the Revenue360® Demographic Validation and Address Validation module to the County on a fixed price basis, as defined in Exhibit B-2, Schedule of Payments.

TASK No. 12.0 – Address Validation Transaction Overage- Demographic Validation Software:

Subtask 12.1 – Address Validation Transaction Overage

The Contractor shall process Address Validation transactions exceeding the minimum subscription level, through Revenue360® on a per transaction fee basis (see Exhibit B-2, Schedule of Payments). All overages will be charged at the same per transaction rate, based on the total volume submitted for the month.

Deliverable 12.1 – Address Validation Transaction Overage

The County will pay for Address Validation transactions exceeding the minimum subscription level, at the rate per transaction as specified in Exhibit B-2 –Schedule of Payments.

TASK No. 13.0 – Demographic Validation Transaction Overage - Demographic Validation Software:

Subtask 13.1 – Demographic Validation Transaction Overage

The Contractor shall process Demographic Validation transactions exceeding the minimum subscription level, through Revenue360® on a per transaction fee basis (see Exhibit B-2, Schedule of Payments). All overages will be charged at the same per transaction rate, based on the total volume submitted for the month.

Deliverable 13.1 – Demographic Validation Transaction Overage

The County will pay for Demographic Validation transactions exceeding the minimum subscription level, at the rate per transaction as specified in Exhibit B-2–Schedule of Payments.

REVENUE360®
DESCRIPTION OF *PRODUCTS AND* SERVICES

Revenue360® Eligibility

Revenue360® Eligibility will interface with the QuadraMed Affinity 270/271 EDI module and automate the process of creating and processing a query and response electronically accessible from Health Plans eligibility and benefit data bases throughout the country, providing the most current eligibility information available.

Eligibility Workflow / Processing

1. Accepts an automatically or manually generated inquiry from the registration or scheduling system using Affinity defined X12 270 transaction format.
2. Maps user defined insurance codes from registration or scheduling system to specific payer or clearinghouse requirements and translates inquiry to a normalized HIPAA defined version 4010 X12 270 formatted eligibility inquiry format.
3. Translates the normalized X12 270 formatted eligibility inquiry to a Health Plan specific X12 270 format or non-standard eligibility inquiry format.
4. Transmits the inquiry to Medicare, Medicaid, national Health Plans or regional or local Health Plans who provide access and are covered by this Agreement or any amendments to this Agreement. A listing of all Health Plans covered by this agreement is posted and constantly updated at the Contractor's website for reference. Where available, Revenue360® Eligibility also supports connections directly to regional Health Plans if not accessible from a clearinghouse (requires a Software Change Request and amendment to the Agreement). Revenue360® Eligibility uses Health Plan required communications protocol for each connection. Revenue360® Eligibility stores inquiries during scheduled Health Plan down times for transmission at a later time when the Health Plan's system is available (configuration required).
5. Receives a HIPAA defined, Health Plan configured X12 271 response or proprietary non-standard eligibility response from Health Plan.
6. Translates the eligibility response to the format required by registration or scheduling system vendor.
7. Delivers this transaction to the registration or scheduling system for posting to the patient account.
8. Creates exception reports for inquiry results showing patients as ineligible, showing Medicare restrictions and/or treatment parameters or with other management defined information.

Revenue360® Eligibility produces payer specific exception reports or staff work lists allowing staff to focus research on exceptions or accounts with identified problems. These custom defined reports can increase staff efficiency by eliminating handling of consolidated paper reports for all Health Plans and all exception patient accounts.

Eligibility Health Plan Connections

1. Accessing data directly from Medi-Cal through the current County provided network (WAN) connection. Revenue360® Eligibility's ability to process Medi-Cal inquiries is limited to the capability of this connection.
2. Accessing data directly from The Centers for Medicare & Medicaid Services (CMS) Medicare database through the current County contracted network (WAN) connection or the Provider Advantage contracted connection to Medicare. Revenue360® Eligibility's ability to process Medicare inquiries is limited to the capability of these connections.
3. Accessing data from various commercial, Medicaid agencies, and other Health Plans available through the clearinghouse real time switch. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon and Contractor shall connect to the clearinghouse through their network connection to the clearinghouse real time switch.
    i. Through this clearinghouse connection, Contractor shall provide County access to data from a number of commercial Health Plans or Medicaid agencies as determined by County. Periodically additional Health Plans are available and Contractor shall provide access to the data from these Health Plans upon request from the County and in a manner consistent with Contractor's other customers.
    ii. Revenue360® Eligibility's ability to process inquiries to the Health Plans available through the clearinghouse is limited to the capability of the County's connection to Contractor's hub. Using this connection, Contractor can provide an alternative path to Medi-Cal and Medicare if County's connection to these Health Plans becomes inoperative and County requests use of this pathway in writing. Contractor requires a minimum of one business day to configure and manually convert to this alternative routing. The time and materials to coordinate this connection shall be considered Chargeable Support to the County.
4. Accessing data directly from the Office of Managed Care Community Health Plan (OMC/CHP) through the current County provided network (WAN) connection. Revenue360® Eligibility's ability to process OMC/CHP inquiries is limited to the capability of this connection.
5. Development of a different or additional connection or methodology to access data for any of the above Health Plans or clearinghouses or a different Health Plan will require additional software development on a time and materials or negotiated basis.

Revenue360® Demographic Validation and Address Validation

Revenue360® Demographic Validation Module initiates a real-time demographic request that is returned within seconds during the registration process after all necessary data elements are gathered. Demographic details such as address validity, current residence and fraud indicators are returned and the user is notified of the patients benefit status and suggested next steps based on the facility rules, using intelligent guidance. This allows hospital staff to view the necessary demographic information and determine the validity of the patient's demographic information, and act on the instructions provided.

Revenue360® Demographic Validation module reduces input errors by validating and providing alternate name, address, telephone and other demographic information at the point of service, by accessing multiple demographic data sources. Using cascading search criteria to obtain the best information possible, it organizes the returned information, highlighting any differences, allowing the user to update the system. Quickly obtaining correct address information at registration means claims and invoices can be processed faster and more accurately, decreasing A/R days and improving patient satisfaction. It also improves the ability of our providers to contact patients for management of their care.

The Revenue360® Demographic Validation Module integrates two primary functions with intelligent guidance.

1. The Revenue360® Address Validation Module verifies address validity and standardizes existing address information via integrated USPS Address Matching System technology for defined patient populations.
    - Verify if a Patient / Guarantor address is a valid USPS existing address using facility defined business rules.

2. The Revenue360® Demographic Validation Module accesses proprietary demographic data sources to validate and return the most current available patient demographic details, such as name, current address, telephone, as well as Social Security Number (SSN) validity and fraud indicators.
    - Confirm listed Patient / Guarantor address and demographic information using facility defined business rules.
    - Locate unknown Patient / Guarantor address using facility defined business rules.

Address Validation Workflow / Processing

1. Processes an automatically or manually generated Address Validation inquiry from Affinity.
2. Applies facility specific business rules to the request prior to submission.
3. Verifies validity of current address information via USPS databases.
4. When possible, standardizes address via USPS databases to USPS format.
5. Applies facility specific business rules to the demographic response prior to display for user.
6. Display Address Validation results in Revenue360® Response Viewer for user review and action.
    - Indicates to user if address existence has been verified via USPS databases.
    - Indicates to user if address has been standardized via USPS databases.
7. User interaction with the Revenue360® Response Viewer to select the desired result and field level updates.
8. Posts the desired Address Validation information and field level updates to the patient account.
9. Creates and prints exception reports for results showing accounts with further review required, or other management defined information.

Address Validation Data Source Connections

1. Accessing data from various third party agencies through the Provider Advantage network, via connection to a central processing switch.
2. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon.
3. All Address Validation inquires shall be run through Contractor's central processing switch.
4. Address Validation Databases shall be loaded on the Contractor's central processing switch, according to USPS specifications and contractual requirements.

Demographic Validation Workflow / Processing

1. Creates an automatically or manually generated Demographic Validation inquiry from Affinity.
2. Applies facility specific business rules to the request prior to submission.
3. Process Address Validation prior to processing Demographic Validation
    - Verifies current address information prior to submission.
    - Standardizes current address information prior to submission.
4. Translates the inquiry to a demographic source in a proprietary request format via the required communications protocols.
5. Applies facility specific business rules to the demographic response prior to display for user.
6. Display demographic response information on the Revenue360® workstation in the Revenue360® Response Viewer for user review and action.
7. User interaction with the Revenue360® Response Viewer to select the desired result and field level updates.
8. Posts the desired response information and field level updates to the patient account.
9. Creates and prints exception reports for results showing accounts with further review required, or other management defined information.

Demographic Validation Data Source Connections

1. Accessing data from various third party agencies through the Provider Advantage network, via connection to a central processing switch.
2. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon.
3. All Address Validation & Demographic Validation inquires shall be run through Contractor's central processing switch.
4. Contractor shall connect central processing switch to additional outside data-sources indirectly, through their network connection to the data source.

REVENUE360®
RETROACTIVE SELF-PAY IDENTIFICATION MODULE ("RIM")
VERSION 1.O SUMMARY SPECIFICATIONS

Background

Approximately 40% of the County's admissions are self-pay patients. An additional group of patients present themselves as covered by Medi-Cal but ineligible responses are returned from the Medi-Cal System. Because a significant number of these patients become eligible for Medi-Cal subsequent to registration, a key business strategy of the County is to periodically check Medi-Cal eligibility for these self-pay patients over a defined period (up to 12 months after admission). Once identified as having retroactive coverage, the County can prepare a claim and send it to Medi-Cal for reimbursement for covered services.

Feature Summary

Version 1.0 of the Revenue360® Retroactive Self-Pay Identification Module (RIM) contains the following features. Contractor designed Version 1.0 in partnership with the County and has developed it for exclusive use of the County.

1. When a self-pay or Medi-Cal patient is registered, Revenue360® Eligibility sends an inquiry to Medi-Cal. Any 271 response from Medi-Cal that does not have an active benefit segment (Active Coverage) will be stored in a RIM database. There will be two RIM databases, one for each server.

2. Revenue360® Eligibility periodically reviews the self-pay databases and selects self-pay patients based on monthly inquiry intervals defined by each facility up to 12 months (monthly, every other month, quarterly, etc.). Contractor recommends a starting model of checking each patient monthly for the first three months and then the 6^{th}, $9^{th,}$ and 12^{th} month.

3. Revenue360® Eligibility generates an inquiry to Medi-Cal for selected Medi-Cal ineligible patients. The RIM processing module submits at a lower priority than new admission inquiries so as not to negatively affect response times. The RIM will send the majority of RIM inquiries at the periods of lowest daily volume.

4. Revenue360® Eligibility returns to Affinity and Affinity posts all inquiry responses that show Active Coverage. (Revenue360® Eligibility uses the original Affinity transaction control number when posting.)

5. Revenue360® Eligibility creates a printable report by facility for all inquiries that return a response indicating Active Coverage. Revenue360® Eligibility also creates a comma-delimited file by facility that corresponds to each report so County staff can manipulate the data using work lists or other data manipulation programs etc. The report and file formats will be mutually agreed upon by the County and Contractor.

6. Each facility has the responsibility for updating a patient's information based on a successful post admission self-pay inquiry (using reports or comma-delimited file). The facility will then submit claims to Medi-Cal for self-pays showing eligibility for prior dates of service.

7. The RIM module will accept a file from Affinity generated in a mutually agreed upon format which identifies patients to be deleted from the re-inquiry data base for any reason (e.g. a patient pays the bill). It is the County's responsibility to provide this file to Revenue360® Eligibility in a mutually agreed upon format.

REVENUE360®
CUSTOMER SUPPORT REQUIREMENTS

1. **Customer Support Coverage:** Contractor shall provide the following Customer Support during the times specified below and included under fees in Deliverable 1.1. Contractor shall provide additional Customer Support seven days a week, including holidays, between the hours of 11:00 PM to 7:00 AM (Pacific Time) for hourly fees specified under Deliverable 4.1.
2. **Customer Support - Business Day:** The following items are included in normal Customer Support. The hours for a normal business day are 7:00 AM to 5:30 PM (Pacific Time).
   a. Periodic (minimum twice daily) proactive monitoring of the County Revenue360® installation utilizing Contractor Revenue360® Support Wizard.
   b. Resolution of any critical Revenue360® issues. A critical issue is defined as a system outage due to a Revenue360® system problem or other Contractor related issue which causes Revenue360® to behave outside of the agreed upon functionality. Critical issues require Contractor support intervention in order to resolve.
   c. Telephone response to County initiated support requests regarding Revenue360® functionality issues and questions and any related issues.
   d. Resolution of Health Plan and Clearinghouse issues related to transaction content, format, communications, etc.
   e. Help to identify and resolve issues external to Revenue360. This may include County LAN / WAN connectivity, Health Plan connectivity, Contractor network, or Affinity interface, etc. This Help may include creating reports and preparing documentation of problem.
   f. Remote user training for reports including reading and interpreting Health Plan responses and Revenue360® functionality issues and questions.
   g. Revenue360® facility telephone or internet specific training and end user support documentation.
3. **Customer Support - After Hours / Contractor Holidays / Weekends**
   After Hours Customer Support occurs between the hours of 5:30 PM and 11:00 PM Pacific Time (“PT”) on Business Days and between the hours of 7:00 AM and 11:00 PM PT on days other than Business Days :
   a. Periodic (minimum twice daily) proactive monitoring of the County Revenue360® installation utilizing Contractor’s Support Wizard.
   b. Resolution of any critical Revenue360® issues. A critical issue is defined as a system outage due to a Revenue360® system problem or other Contractor related issue which causes Revenue360® to behave outside of the agreed upon functionality. Critical issues require Contractor support intervention in order to resolve.

c. Two hours maximum commitment for scheduled interventions or support that the County schedules at least 48 hours in advance (County hardware or network reconfigurations etc.)

d. Contractor shall make reasonable efforts to respond between the hours of 11:00 pm through 6:00 am to a critical support call within one hour from notice. Non-critical issues to be resolved on next business day.

REVENUE360®

AUTHORIZED FACILITIES

The County currently operates four hospitals, two multi-service ambulatory care centers, and fourteen health and comprehensive health centers. Each site provides a variety of quality health care to the communities within the County of Los Angeles.

The County and Contractor consider the following sites and the associated comprehensive health centers and health centers as Authorized Facilities to use Revenue360® and associated software Products and Services. County and Contractor may add additional Authorized Facilities by mutual agreement of the parties as an addendum to this Agreement.

1. Harbor/UCLA Medical Center

2. High Desert - Multi-Service Ambulatory Care Center (MACC)

3. LAC+USC Healthcare Network

4. Martin Luther King, Jr. - Multi-Service Ambulatory Care Center (MACC)

5. Olive View-UCLA Medical Center

6. Rancho Los Amigos National Rehabilitation Center

SCHEDULE OF PAYMENTS
Provider Advantage Contract H-701910 **Exhibit B-2**
Additional Funding Request for 4/1/2012-12/31/2017 (Revised)
(Supercedes Schedule of Pyaments in Amendment #2)

I. 270/271

Deliver-able No.	Deliverable Title	4/1/2006-3/31/2009	4/1/09-3/31/10	4/1/10-3/31/11	4/1/11-6/30/11	FY 11-12 7/1/11-3/31/12	FY 11-12 4/1/12-6/30/12	FY 12-13 7/1/12-6/30/13	FY 13/14 7/1/13-3/31/14	FY 13/14 4/1/14-6/30/14	FY 14-15 7/1/14-6/30/15	FY 15-16 7/1/15-6/30/16	FY 16-17 7/1/16-6/30/17	FY 17-18 7/1/17-12/31/17	GRAND TOTAL
1	System Maintenance (1)	$744,000	$240,000	$240,000	$63,000	$189,000	$69,458	$264,600	$208,373	$69,456	$277,830	$277,830	$277,830	$138,912	$3,060,288
1.a	Interface Upgrade and Replacement								14,200	4,200	16,800				$35,200
2	Clearing House Eligibility Transactions (2)	22,500	7,500	7,500	1,875	5,625	1,875	7,500	5,625	1,875	7,500	7,500	7,500	3,750	$88,125
3	Transaction Processing After Design Limits (3)	80,100	1,000	1,000		1,000	250	404,809	347,007	115,419	461,676	461,676	461,676	230,838	$2,566,451
4	Professional Services Fees (4)	97,200	42,000	44,100	3,150	43,150	12,150	98,600	38,950	12,501	50,000	50,000	50,000	25,002	$566,803
5	On Site Training as Needed (5)	21,900	14,000	14,000		14,000	3,500	14,000	10,500	3,501	14,000	14,000	14,000	7,002	$144,403
6	Pool Dollars	3,000	1,000	1,000		1,000	250	1,000	750	249	1,000	1,000	1,000	498	$11,747
	Total	$968,700	$305,500	$307,600	$68,025	$253,775	$87,483	$790,509	$625,405	$207,201	$828,806	$812,006	$812,006	$406,002	$6,473,017

II. DEMOGRAPHIC AND ADDRESS VALIDATION

Deliver-able No.	Deliverable Title		4/1/09-02/28/11	4/1/10-3/31/11	4/1/11-6/30/11	FY 11-12 7/1/11-3/31/12	FY 11-12 4/1/12-6/30/12	FY 12-13 7/1/12-6/30/13	FY 13/14 7/1/13-3/31/14	FY 13/14 4/1/14-6/30/14	FY 14-15 7/1/14-6/30/15	FY 15-16 7/1/15-6/30/16	FY 16-17 7/1/16-6/30/17	FY 17-18 7/1/17-12/31/17	GRAND TOTAL
7	Professional Services Fees (4)		$0	$0	$0	$0	$0	$17,258	$15,090	$0	$0	$0	$0	$0	$32,348
8	On Site Training as Needed (5)		$0	$0	$0	$0	$0	6,000	6,000	2,000	6,000	6,000	6,000	3,000	$35,000
9	Minimum Address Validation Subscription (7)		$0	$0	$0	$0	$0	10,350	15,525	5,175	20,700	20,700	20,700	10,350	$103,500
10	Minimum Demographic Validation Subscription (8)		$0	$0	$0	$0	$0	9,000	16,500	7,500	30,000	30,000	30,000	15,000	$138,000
11	Software License (9)		$0	$0	$0	$0	$0	35,000	0	0	0	0	0	0	$35,000
12 & 13	Transaction Processing After Limits (10) (11)		$0	$0	$0	$0	$0	8,109	6,988	21,039	84,150	84,150	84,150	42,078	$330,664
	Total		$0	$0	$0	$0	$0	$85,717	$60,103	$35,714	$140,850	$140,850	$140,850	$70,428	$674,512
	Grand Total	$968,700	$305,500	$307,600	$68,025	$253,775	$87,483	$876,226	$685,508	$242,915	$969,656	$952,856	$952,856	$476,430	$7,147,529
												CONTRACT SUM			$7,147,529

(1) System Maintenance will be paid at $20,000 for the first two (2) years with a 5% increase per year for three (3) years ending 3/31/2014.

(2) Clearinghouse transaction fees will be charged as used by the County at $.1875 per occurrence. Usage is estimated at 40,000 transactions per year.

(3) The County anticipates that the transaction volume will double with the implementation of the 270/271 usage by clinical staff. Overage charges will be paid on a tiered pricing model that will benefit the County in the expansion process. A provision for processing Batch transactions during off peak hours will allow for savings in per transaction charges.

a) The County will pay for Admissions Eligibility transactions submitted to the insurance payer, in excess of 600,000 per month at $.055 per transaction and will receive price breaks at the rates indicated in the tables below. Off peak transaction charges will be paid based on a per transaction price with savings as volumes increase.

b) The County will pay for Retroactive Self-Pay Identification transactions (RIM) in excess of 2,400,000 per month at $.0018 per transaction and will receive price breaks at the rates indicated in the table below.

Initial	Maximum	RIM & Errors Maximum	Tiered Rate 4-1-12 to 3-31-13	Tiered Rate 4-1-13 to 12-31-17
1	600,000	2,400,000	$22,050	$23,152
600,001	800,000	2,600,000	$28,560	$29,988
800,001	1,000,000	2,800,000	$34,650	$36,383
1,000,001	1,200,000	3,000,000	$40,320	$42,336
1,200,000	1,400,000	3,200,000	$46,793	$49,132
1,400,000	1,600,000	3,400,000	$52,725	$55,362
1,600,000	1,800,000	3,600,000	$58,691	$61,625

In order to accommodate the County for months where transactions are slightly greater than the maximum but do not yet economically justify the higher tiered rate, a tiered plus overage rate will be utilized. Under this rate structure the County would pay $.055 for each Admissions Eligibility transaction over the maximum for the tier until the total amount of the overage plus the prior tiered rate is equal to the pricing at the next tier level. Once the County meets this transaction volume, then pricing would move to the next tier.

Base Real Time Transaction Tier	Maximum Real Time Transaction Tier	Off Peak per 4-1-12 to 3-31-13	Off Peak 4-1-13 to 12-31-17
1	600,000	$0.0294	$0.0309
600,001	800,000	$0.0286	$0.0300
800,001	1,000,000	$0.0277	$0.0291
1,000,001	1,200,000	$0.0269	$0.0282
1,200,001	1,400,000	$0.0267	$0.0280
1,400,001	1,600,000	$0.0264	$0.0277
1,600,001	1,800,000	$0.0261	$0.0274

The County has requested extended usage pricing for processing of "off peak" inquiries that are not subject to an immediate response. Since the transactions are off peak and the total volume of submission in any one month can be managed by County staff, pricing that is usage based. The pricing reflects the estimated cost to monitor and maintain the additional processing.

(4) Custom Programming shall be charged on an as needed basis. It is estimated that 200 programming hours will be used per year at the Class A rate of $210 per hour. The estimated amounts are calculated using a 5% increase per year. Class B rate is $178 per hour and Class C is $153 per hour.

(5) Travel expenses for onsite annual training are allocated at $2,000 per person for 2 Contractor staff for each year, (one week of training). Contractor training staff is billed at $1,000 per diem for 5 days of training; ($10,000 of staff charges for two persons for one week plus $2,000 per person travel expenses). The travel expenses will be based on actual expenses and reimbursed subject to the Auditor-Controller guidelines. Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

(6) Contractor shall pass through without additional mark-up to the County any telecommunications surcharges or other surcharges, etc., assessed by a Health Plan or telecommunications carrier to Contractor that is related to the agreement, but is outside the agreement. An estimate of $1,000 per year in included for this type of expense.

(7) Custom Programming shall be charged on an as needed basis. It is estimated that programming hours defined below will be used per year at the Class A rate of $210 per hour, Class B rate of $178 per hour and Class C rate of $153 per hour.

<u>One Time Professional Service Fees</u>

Revenue360® DV / AV Implementation Core

- 80 hrs – Class B: $14,240

<u>Per Site Implementation Professional Service Fees</u>

See item A-2 - Attachment 4 for list of County Authorized Facilities

Revenue360® DV / AV Implementation – Pilot Site

- 10 hrs – Class A: $2,100

Revenue360® DV / AV Implementation – Pilot Site

- 6 hrs – Class C: $918

Revenue360® DV / AV Implementation – Each Additional Facility

- 10 hrs per site – Class A: $2,100 / Site

Revenue360® DV / AV Implementation – Each Additional Facility

- 6 hrs per site – Class C: $918 / Site

<u>Anticipated Implementation Timeline</u>

Dollar amounts allocated for Professional Service Fees**(7)**, Minimum Subscription Amounts**(9) (10)** and Transaction Processing After Limits**(12) (13)** for the Demographic and Address Validation Module are based on the following anticipated implementation timeline.

- 2012-13: Pilot site in production
  - 1 facility
    - LAC+USC Healthcare Network
  - Tier 1 volume, subscription and overage rates for Demographic Validation **(8)**
  - Tier 1 volume, subscription and overage rates for Address Validation **(9)**
- 2013: Early adopters in production
  - 2 facilities
    - Harbor/UCLA Medical Center
    - Rancho Los Amigos National Rehabilitation Center
  - Tier 2 volume, subscription and overage rates for Demographic Validation **(10)**
  - Tier 2 volume, subscription and overage rates for Address Validation **(9)**
- 2014: Remaining facilities in production
  - 3 facilities
    - Olive View/UCLA Medical Center
    - High Desert Health System - Multi-Service Ambulatory Care Center (MACC)
    - Martin Luther King, Jr./Harbor - Multi-Service Ambulatory Care Center (MACC)
  - Tier 3 volume, subscription and overage rates for Demographic Validation **(10)**
  - Tier 3 volume, subscription and overage for Address Validation **(7)**

(8) Travel expenses for onsite annual training are allocated at $1,000 per person for 2 Contractor staff for each year, (one day of training). Contractor training staff is billed at $1,000 per diem; ($4,000 of staff charges for two persons for two days plus $2,000 travel expenses). The travel expenses will be based on actual expenses and reimbursed subject to the Auditor-Controller guidelines. Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

(9) The Contractor shall process Address Validation transactions though Revenue360® on a subscription pricing basis (see Exhibit B-2, Schedule of Payments).

Transaction Type	From	To	Subscription Price
Address Validation	0	75,000	$1,725.00

(10) The Contractor shall process Demographic Validation (DV) transactions though Revenue360® on a subscription pricing basis (see Exhibit B-2, Schedule of Payments).

Transaction Type	From	To	Subscription Price
Pilot period DV	0	2,500	$1,500.00
Demographic Validation	0	5,000	$2,500.00

(11) The Contractor shall license the Revenue360® Demographic Validation and Address Validation module to the County at a fixed price basis.

(12) The County will pay for Address Validation transactions exceeding the minimum subscription level, at the rate per transaction defined based on total monthly address validation volume for all facilities. All overages will be charged at the same per transaction rate, based on the total volume submitted for the invoice month.

Transaction Type	From	To	Per Trans Overage Cost
Address Validation	75,001	125,000	$0.022
Address Validation	125,001	250,000	$0.021
Address Validation	250,001	375,000	$0.019
Address Validation	375,001	500,000	$0.018
Address Validation	500,001	650,000	$0.016
Address Validation	650,001	800,000	$0.014
Address Validation	800,001	1,000,000	$0.013
Address Validation	1,000,001	Unlimited	$0.011

(13) The County will pay for Demographic Validation transactions exceeding the minimum subscription level, at the rate per transaction defined, based on total monthly demographic validation volume for all facilities. All overages will be charged at the same per transaction rate, based on the total volume submitted for the invoice month.

Transaction Type	From	To	Per Trans Overage Cost
Pilot period DV	2,501	5,000	$0.48
Demographic Validation	5,001	7,500	$0.48
Demographic Validation	7,501	10,000	$0.47
Demographic Validation	10,001	12,500	$0.46
Demographic Validation	12,501	15,000	$0.45
Demographic Validation	15,001	20,000	$0.44
Demographic Validation	20,001	25,000	$0.43
Demographic Validation	25,001	Unlimited	$0.42

PROVIDER ADVANTAGE Innovative Services for Health Care

REVENUE360® SOFTWARE CHANGE REQUEST FORM

Product:		
Facility Name:	**City:**	**State:**

Requested by:	
Title:	**Phone:**
Fax:	**E-Mail:**

Work Description:

Est. Cust. Prog. @ Contract rate: **(Class A – C):** **xx hours**	**Estimated Total: $xxxx (maximum)**

Testing Requirements: Customer agrees to make resources available to test changes within one week of delivery.
Acceptance Criteria: This software change will be accepted if it works as specified under the Work Description.

Work Description/Estimate of Hours Acceptance Terms: I agree that the above modification(s)/enhancement(s) have been specified to my satisfaction, and authorize Provider Advantage to implement them as described above. I also agree that any modifications to the above request(s) after my authorization may result in additional charges, and may result in a delay to those modifications depending on current work volumes and programming and development availability.
Work Description Authorized by: **Date:** **(note: please fax this signed Software Change Request form to 503-352-0266)**

This section to be completed when custom changes are implemented	
Actual Hours:	**Total Charges:**
Work Completed and Delivered by:	**Date:**

Acceptance Signature: I agree that the modification(s)/enhancement(s) have been made to my specifications and satisfaction, and authorize Provider Advantage to invoice, if applicable, for the services performed as described above.

Provider Advantage NW, Inc

www.provider-advantage.com

800.337.5482