

Tulare Local Healthcare District dba Tulare Regional Medical Center

Agenda Item

Board Meeting Date: January 24, 2018

Title to Appear on Agenda: Accounts Receivable Billing Vendor Agreement with Healthcare Resource Group (HRG)

Brief Description: TRMC needs to arrange for billing and collection services for the outstanding Accounts Receivable, and HRG is a recognized vendor which provides these services.

Background and Details: Shortly after the District filed for bankruptcy protection, TRMC's previous Revenue Cycle and billing service provider (Navigant) ceased performing these functions for Hospital's patient Accounts Receivable. After further discussions and negotiations with Navigant, it is recommended that future services be provided by HRG.

HRG proposes to perform billing and collection services for TRMC, and the contract will consist of three components:

- Master Agreement

- Early Out Self-Pay Clean Up Letter of Understanding

- Letter of Understanding for Accounts Receivable Solution

Key terms are as follows:

Master Agreement - Governs the relationship between TMRC and HRG

Early Out Self Pay Collection Rates based on age of account at time of assignment to HRG: 0-30 days = 8%, 31-120 days = 10.25%, 121 - 150 days = 12%, 151-365 days = 15%, 366+days = 18%

Accounts Receivable Solution - Collection fee =8.5% of amounts collected, with a 45 day post go-live renegotiation option available.

Exhibits: A copy of the HRG Contract documents are attached.

Recommended Action: That the Board approve the HRG Master Agreement, the Self Pay , and the Accounts Receivable Letters of Understanding as outlined above.