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3 RESOLUTION NO. 2003-431

4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
5 COUNTY OF RIVERSIDE TO INCREASE THE CURRENT RATE  
6 STRUCTURE OF THE RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

7 WHEREAS, The Riverside County Regional Medical Center (hereinafter referred to as the  
8 "Hospital") has a Charge Description Master (CDM) which contains the billing codes and retail charges  
9 for over 15,000 patient supplies and procedures for services rendered or performed at, and bill for by, the  
10 Hospital; and,

11 WHEREAS, the Medi-Cal program provides the majority of the Hospital's income as well as  
12 support for indigent care; and,

13 WHEREAS, Federal rules prohibit the Medi-Cal (Medicaid) program from making aggregate  
14 payments that may exceed the total charges for these services; and,

15 WHEREAS, a rate increase is necessary to allow the Hospital to expand its aggregate  
16 reimbursement from the Medi-Cal program; and,

17 WHEREAS, this rate increase has been the subject of a public hearing; now, therefore,

18 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside,  
19 State of California, in regular session assembled on September 9, 2003, that:

- 20 1. The Hospital is authorized to increase the current hospital charge structure by 8%.  
21 2. The Hospital Executive Director is authorized to implement the rate increase.  
22 3. The Hospital Executive Director is authorized to adjust, add or delete rates within the  
23 Hospital's rate structure as may be required by Federal and State regulatory or statutory charges.

FORM APPROVED COUNTY COUNSEL

AUG 20 2003

Dep't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

Departmental Concurrence

BY *[Signature]* Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Riverside County Regional Medical Center (RCRMC)

**SUBMITTAL DATE:**  
August 14, 2003

**SUBJECT:** Annual Rate Adjustment at Riverside County Regional Medical Center

**RECOMMENDED MOTION:** Request that a public hearing be set to discuss the implementation of an 8% rate increase at RCRMC and at the close of the hearing, that the Board approve resolution # 2003-431 to increase the current hospital charge structure by 8%; delegate to the Hospital Executive Director authority to implement the rate increase; delegate to the Hospital Executive Director the authority to adjust/add/delete rates within the hospital's rate structure as dictated by federal and state regulation changes or requirements.

**BACKGROUND:** The Hospital's Charge Description Master (CDM) contains the billing codes and retail charges for over 15,000 patient supplies and procedures for services rendered or performed at and billed for by the Hospital. The Medi-Cal program provides the majority of RCRMC's income as well as support for indigent care. The federal rules prohibit the Medi-Cal (Medicaid) program from making aggregate payments that may exceed the total charges for these services. In other words, whether the program pays for direct patient services or provides supplemental payments via SB-1732, SB-1255, or other supplemental payment sources, the aggregate amount of these payments cannot exceed total charges. In the event that aggregate payments exceed charges, the federal government will recoup the amounts over and above this charge ceiling. A price increase is necessary to allow RCRMC to expand its aggregate reimbursement from the Medi-Cal program.

*[Signature]*  
Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	No for FY 2004

<b>SOURCE OF FUNDS:</b>	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**  
**APPROVE**

**County Executive Office Signature** *[Signature]*

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Wilson, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is scheduled for public hearing on Tuesday, September 9, 2003 at 10:00 a.m.

Ayes: Buster, Tavaglione, Venable and Wilson  
Noes: None  
Absent: Ashley  
Date: August 26, 2003  
xc: RCRMC, COB

*[Signature]*  
Nancy Romero  
Clerk to the Board  
Deputy

**Prev. Agn. Ref.:** **District:** ALL **Agenda Number:**

**BACKGROUND CONTINUED:**

The CDM contains all the federal and state authorized procedures and supplies, along with the related charge for these procedures and supplies that the hospital may bill to the various federal and state health care programs, such as Medicare and Medi-Cal, for services rendered. During the course of a year the federal and state have required changes be made to the authorized procedures and supplies for which they will make payment. These changes must be made in the CDM. Also, as procedures are added or deleted because of changes in the provision of services by physicians the CDM must be updated to comply with federal and state requirements for billing these procedures. If the CDM is not maintained, timely, in compliance with federal and state rules (procedures, supplies, and charges – adjusted/added/deleted), during the course of doing health care business, RCRMC will not receive payment from the Medicare, Medi-Cal, and other insurers of health care services, as the bill would not be in compliance with the requirements. Rather than taking a multitude of motions to the Board during the year, to adjust for these required changes, delegation for the authority to make the described changes to the Hospital's CDM to the Hospital Executive Director would eliminate the need for a multitude of motions being presented to the Board during the year. It would allow the Hospital flexibility to rapidly adjust to required changes and therefore expedite billing for services to the various health care insurers.

The 8% rate increase will bring RCRMC rates in line with other area hospitals.