

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

806



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
 April 16, 2015

**SUBJECT:** Approval for the Fourteenth and Fifteenth Amendment to the Hospital Per Diem Agreement with Inland Empire Health Plan [All District; \$0; Hospital Enterprise Fund]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and authorize the Chairman to execute the Fourteenth Amendment to the Hospital Per Diem Agreement with Inland Empire Health Plan (IEHP) for payment of inpatient and outpatient hospital services effective April 1, 2014;
2. Ratify and authorize the Chairman to execute the Fifteenth Amendment to the Hospital Per Diem Agreement with Inland Empire Health Plan (IEHP) which extends the term effective April 1, 2015 through July 31, 2015; and,
3. Authorize the Hospital CEO or designee to sign amendments that do not change the substantive terms of the agreement, as approved by County Counsel.

Zareh H. Sarrafarian, Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** Revenue from the Inland Empire Health Plan HMO Members referred to hospital for services

**Budget Adjustment:** No  
**For Fiscal Year:** 2014/2015

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

APPROVE

BY: Debra Cournoyer  
 Debra Cournoyer

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

- ☐ Positions Added  
☐ Change Order  
☐ A-30  
☐ 4/5 Vote

Prev. Agn. Ref.: 11/25/08; 3.35

District: All

Agenda Number:

**3-31**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Approval for the Fourteenth and Fifteenth Amendment to the Hospital Per Diem Agreement  
with Inland Empire Health Plan [All District; \$0; Hospital Enterprise Fund]  
**DATE:** April 16, 2015  
**PAGE:** 2 of 2

**Previous Agenda Reference:**

9/1/09; 3.93, 11/24/09; 3.92, 8/16/11; 3.72, 4/24/12; 3.17, 7/17/12; 3.37, 11/6/12; 3.57, 1/29/13; 3.35 1/29/13;  
3.36, 6/25/13 3.34

**BACKGROUND:**

**Summary (continued)**

Riverside County Regional Medical Center (RCRMC) has provided inpatient and outpatient services to members enrolled with Inland Empire Health Plan (IEHP) under a contractual agreement since the Health Plans inception in 1996.

The fourteenth amendment establishes compensation rates for hospital services, including medical services and supplies provided to IEHP member receiving health care services or inpatient care provided while they are at the hospital.

The fifteenth amendment only extends the period of performance for an additional 120 days until a new contract agreement is established. The compensation rates for hospital services, including medical services and supplies provided to IEHP Members receiving health care services or inpatient care provided while they are at the hospital have not changed and will remain firm for this amendment. The term of this amendment ends July 31, 2015.

**Impact on Citizens and Businesses**

This service impacts the patients residing in Riverside County receiving care from Riverside County Regional Medical Center.

FOURTEENTH AMENDMENT  
TO THE HOSPITAL PER DIEM AGREEMENT  
BETWEEN  
INLAND EMPIRE HEALTH PLAN AND IEHP HEALTH ACCESS  
AND  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER


WHEREAS, Inland Empire Health Plan ("IEHP"), and IEHP Health Access ("Health Access"), (known collectively as "IEHP Health Plan"), and Riverside County Regional Medical Center ("HOSPITAL") agree to further amend the Hospital Per Diem Agreement (the "Agreement"), as amended between them dated April 1, 2007.

NOW THEREFORE, the parties agree as follows:

- A. The language on Section 9.01 TERM is hereby deleted in its entirety and replaced by the following language:  
  
"9.01 TERM – "The term of this Agreement shall commence on April 1, 2014 and shall continue for one (1) year terminating on March 31, 2015, unless sooner terminated in accordance with the terms and conditions of this Agreement herein."
- B. The language of ATTACHMENT C, COMPENSATION RATES, is hereby deleted in its entirety and is replaced as attached hereto (see amended ATTACHMENT C, COMPENSATION RATES).
- C. Notwithstanding the date of execution, unless otherwise referenced, this Fourteenth Amendment shall be effective April 1, 2014.
- D. Except as amended hereby, all of the other terms and conditions of the Agreement are to remain in full force and effect.
- E. HOSPITAL certifies that the individual signing herein has authority to execute this Amendment on behalf of HOSPITAL, and may legally bind HOSPITAL to the terms and conditions of this Amendment, and any attachments hereto.

IN WITNESS WHEREOF, the parties hereby execute this Fourteenth Amendment as set forth below.

**RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

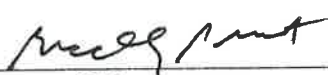
By:   
Name and Title: Lowell Johnson  
Chief Executive Officer

Date: \_\_\_\_\_

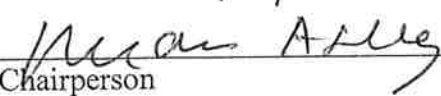
TIN: 95-6000930

FORM APPROVED COUNTY COUNSEL  
BY:  7/1/14  
NEAL R. KIPNIS DATE

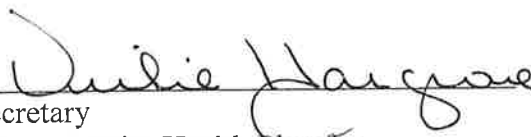
**IEHP HEALTH ACCESS**

By:   
Bradley P. Gilbert, M.D.  
Chief Executive Officer

Date: 6/2/14


By:   
Chairperson  
IEHP Health Access  
Governing Board

Date: 6-9-14

Attest:   
Secretary  
Inland Empire Health Plan for  
IEHP Health Access

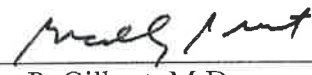
Date: 6-10-14

Approved as to Form

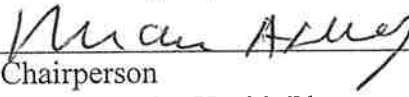
By:   
Jinny R. Yang  
Staff Counsel for IEHP Health Access

Date: 6/10/14

**INLAND EMPIRE HEALTH PLAN**

By:   
Bradley P. Gilbert, M.D.  
Chief Executive Officer

Date: 6/2/14

By:   
Chairperson  
Inland Empire Health Plan  
Governing Board

Date: 6-9-14

Attest:   
Secretary  
Inland Empire Health Plan

Date: 6-10-14

Approved as to Form

By:   
Jinny R. Yang  
Staff Counsel for Inland Empire Health Plan

Date: 6/10/14

## ATTACHMENT C

### RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

#### COMPENSATION RATES

The following all-inclusive Rates shall be paid to HOSPITAL when IEHP HEALTH PLAN is the payor for authorized Hospital Services, including medical services and supplies provided to Members during the course of such visit or admission, pursuant to this Agreement. HOSPITAL shall accept such reimbursement, less applicable Member co-payment, as payment in full for those authorized Hospital Services provided to Members. Reimbursement shall not exceed billed charges. Revenue Codes, CPT, HCPCs, and ICD-9 Codes used in this document are for reference and clarification purposes only.

<b>INPATIENT HOSPITAL SERVICES:</b>	<b>Medi-Cal Per Diem Rate</b>	<b>Healthy Kids</b>
<b>Medical/Surgical/Pediatrics</b> (Rev. Codes 100, 101, 110, 111, 113, 117, 119, 120, 121, 123, 127, 129, 130, 131, 133, 139, 140, 141, 143, 147, 149, 150, 151, 153, 157, 159, 160, 164, 167, 169)	<b>\$1,582</b>	<b>\$1,300</b>
<b>Definitive Observation/Telemetry</b> (Rev Code 206, 214)	<b>\$1,582</b>	<b>\$1,375</b>
<b>ICU</b> (Rev. Code 200, 201, 202, 203, 207, 208, 209) <b>CCU</b> (Rev. Code 210, 211, 212, 213, 214, 219)	<b>\$1,582</b>	<b>\$1,825</b>
<b>Acute Rehab Per Diem</b> (Rev. Code 190)	<b>\$800</b>	<b>\$950</b>
<b>Boarder Baby</b> (Rev. Code 170, 179)	<b>\$375</b>	<b>\$500</b>
<b>Nursery Newborn Level 1</b> (Rev. 171)	<b>\$1,582</b>	<b>\$2,350</b>
<b>Nursery Newborn Level 2</b> (Rev. 172)	<b>\$1,582</b>	<b>\$2,350</b>
<b>Nursery Newborn Level 3</b> (Rev 173)	<b>\$1,582</b>	<b>\$2,350</b>
<b>Nursery Newborn Level 4</b> (Rev. 174, 175)	<b>\$1,582</b>	<b>\$2,350</b>
<b>OB Normal Delivery</b> (Rev. Code 112, 122, 132, 142, 152, ICD9 Codes 72.0-73.99)	<b>\$1,582 Per Diem</b>	<b>\$2,100 Case Rate</b>
<b>OB C-Section</b> (Rev. Code 112, 122, 132, 142, 152, ICD9 Codes 74.0-74.99)	<b>\$1,582 Per Diem</b>	<b>\$4,000 Case Rate</b>
<b>Additional OB Normal and C-Section Days</b>	<b>LOC</b>	<b>LOC</b>
<b>Trauma Services</b> (Rate valid for all days that the Trauma Team is actively providing Care; applicable LOC thereafter)	<b>\$2,500</b>	<b>\$3,150</b>

# ATTACHMENT C

(Cont.)

## COMPENSATION RATES

### RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

<b><u>EMERGENCY ROOM (Rev Code 450, 451, 452, 456, 459)</u></b> (CPT Codes must be used below)	<b>Medi-Cal</b>	<b>Healthy Kids</b>
Emergency HCFA Level I Case Rate (CPT Code Z7502 or 99281 as applicable)	100% Med-Cal Fee Schedule for Hospitals	35% billed charges NTE \$700
Emergency HCFA Level II Case Rate (CPT Code Z7502 or 99282 as applicable)	100% Med-Cal Fee Schedule For Hospitals	35% billed charges NTE \$700
Emergency HCFA Level III Case Rate (CPT Code Z7502 or 99283 as applicable)	100% Med-Cal Fee Schedule For Hospitals	35% billed charges NTE \$1,700
Emergency HCFA Level IV Case Rate (CPT Code Z7502 or 99284 as applicable)	100% Med-Cal Fee Schedule For Hospitals	35% billed charges NTE \$2,250
Emergency HCFA Level V Case Rate (CPT Code Z7502 or 99285 as applicable)	100% Med-Cal Fee Schedule For Hospitals	35% billed charges NTE \$2,250

<b>OUTPATIENT SURGICAL SERVICES*:</b>	<b>Medi-Cal</b>	<b>Healthy Kids</b>
Outpatient Surgery	100% Med-Cal Fee Schedule For Hospitals	100% Medicare OPPS

<b>OUTPATIENT DIAGNOSTIC AND THERAPEUTIC SERVICES:</b>	<b>Medi-Cal</b>	<b>Healthy Kids</b>
<i>Outpatient Laboratory (Rev Codes 300, 301, 302, 303, 304, 305, 306, 307 921, 923, 925) CPT Codes must be used in billing</i>	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Outpatient Pathology (Rev Codes 310, 311, 312, 314) <u>CPT Codes must be used in billing</u>	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Outpatient Magnetic Resonance Imaging (includes contrast) (Rev Codes 610, 611, 612, 614, 615, 616, 618)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Outpatient Computerized Tomography (includes contrast) (Rev Codes 350-352)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Ultrasound Imaging (Rev Code 402)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Diagnostic and Screening Mammography (Rev Code 401, 403)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS

## ATTACHMENT C

(Cont.)

### COMPENSATION RATES

#### RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

Other Diagnostic Radiology (Rev Codes 320-324)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
Observation Case Rate (payable up to 23 hours and 59 minutes –includes OB Observation) (Rev Codes 760, 762)	100% Med-Cal Fee Schedule for Hospitals	\$975
Lithotripsy, CPT Codes 52353, 50590 (includes 3 attempts)	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS
All other Outpatient Services not listed above	100% Med-Cal Fee Schedule for Hospitals	125% Medicare OPPS

Exclusions: The following items are excluded from all Inpatient Hospital Services and shall be reimbursed if authorized as indicated.

- Implants and Prosthetics over \$1,000.00 reimbursed at Invoice amount plus 5%. (Revenue Codes 274-278 exceeding \$1,000.00 invoice cost per item)

#### Outpatient Hospital Services Provided to RCRMC affiliated PCPs – All Lines of Business

RCRMC may provide outpatient hospital services to IEHP Direct Members assigned to RCRMC PCPs. Such services shall include but not be limited to: x-ray, diagnostic radiology and physical therapy. Specific to Medi-Cal Members, the Medi-Cal reimbursement rates augmented by the Orthopedic Hospital Settlement (“OHS”) will not apply. Reimbursement will be at 100% of Medi-Cal excluding the OHS augmentation. For all lines of business, the Outpatient Hospital Clinic (or room charge) is not payable for the above service.

#### Diabetic Retina Exams – All Lines of Business

RCRMC may provide diabetic retina exams CPT Code 92250. Reimbursement for CPT Code 92250 will be \$18.

## ATTACHMENT C

(Cont.)

### COMPENSATION RATES – MEDICARE ADVANTAGE PROGRAM

#### RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

Center of Excellence for the Treatment of Hepatitis B and C – All Lines of Business

##### A. Pharmacist Medication Therapy Management Program (MTM)

CPT Code	Description	Rate
99605	Initial Consult	\$40.00
99606	Established	\$40.00

##### Scope of Work:

1. Counseling regarding treatment adherence and treatment compliance
2. Medication dispensing, refilling, monitoring, drug-drug interaction, and dose adjustment
3. Report to IEHP if other care coordination is needed

##### Reporting:

1. Adherence/Compliance
  2. Clinical data: Genotype, viral load, biopsy
  3. Drug data: Type of drugs used, Qty, dosage
  4. Quarterly Reports
- B. Pharmaceuticals related to HBV and HCV COE Program
- All branded drugs: WAC – 22%
  - All Generic drugs: IEHP Contracted PBM MAC rate



## ATTACHMENT C

(Cont.)

### COMPENSATION RATES – MEDICARE ADVANTAGE PROGRAM

#### RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

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#### Services

#### Reimbursement

Inpatient Hospital Services, all inclusive  
Group

Applicable Hospital Medicare Diagnosis Related  
(DRG)

Outpatient Hospital Services

100% of prevailing Medicare allowable as  
Updated annually by CMS

Medicare Allowable shall be based upon the applicable Hospital's Medicare Inpatient and Outpatient Prospective Payment System (IPPS/OPPS) to include both operating and capital payment adjustments and all applicable add-on payment adjustments (e.g. outliers, disproportionate share and indirect medical education) and all applicable pass-through payments (e.g. direct medical education and organ acquisition cost).

FIFTEENTH AMENDMENT  
TO THE HOSPITAL PER DIEM AGREEMENT  
BETWEEN  
INLAND EMPIRE HEALTH PLAN AND IEHP HEALTH ACCESS  
AND  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

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- B. Notwithstanding the date of execution, unless otherwise referenced, this Fifteenth Amendment shall be effective April 1, 2015.
- C. Except as amended hereby, all of the other terms and conditions of the Agreement are to remain in full force and effect.
- D. HOSPITAL certifies that the individual signing herein has authority to execute this Amendment on behalf of HOSPITAL, and may legally bind HOSPITAL to the terms and conditions of this Amendment, and any attachments hereto.

IN WITNESS WHEREOF, the parties hereby execute this Fifteenth Amendment as set forth below.

**RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

By: \_\_\_\_\_

Name and Title: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

**IEHP HEALTH ACCESS**

By: \_\_\_\_\_

Bradley P. Gilbert, M.D.  
Chief Executive Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_

Chairperson  
IEHP Health Access  
Governing Board

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Secretary  
Inland Empire Health Plan for  
IEHP Health Access

Date: \_\_\_\_\_

Approved as to Form and Content:  
Gregory P. Priamos  
County Counsel

By: \_\_\_\_\_

Anna W. Wang  
Deputy County Counsel  
Attorneys for IEHP Health Access

Date: \_\_\_\_\_

TIN: 95-6000930

FORM APPROVED COUNTY COUNSEL

BY: NEAL R. KIPNIS

DATE 4/22/15

**INLAND EMPIRE HEALTH PLAN**

By: \_\_\_\_\_

Bradley P. Gilbert, M.D.  
Chief Executive Officer

Date: \_\_\_\_\_

By: \_\_\_\_\_

Chairperson  
Inland Empire Health Plan  
Governing Board

Date: \_\_\_\_\_

Attest: \_\_\_\_\_

Secretary  
Inland Empire Health Plan

Date: \_\_\_\_\_

Approved as to Form and Content:  
Gregory P. Priamos  
County Counsel

By: \_\_\_\_\_

Anna W. Wang  
Deputy County Counsel  
Attorneys for Inland Empire Health Plan

Date: \_\_\_\_\_