

263



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

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

**SUBMITTAL DATE:**  
February 24, 2015

**SUBJECT:** FY 2014/15 Rate Adjustment for the Riverside County Regional Medical Center

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

1. Request a public hearing to be set to discuss the implementation of a 7.98 percent rate increase at RCRMC and at the close of the hearing, the Board approve Resolution No. 2015-062 to increase the current hospital charge structure by 7.98 percent.
2. Delegate to the Hospital Director authority to implement the rate increase;
3. Delegate to the Hospital Director the authority to adjust/add/delete rates within the hospital's rate structure as dictated by federal and state regulation changes or requirements; and
4. Delegate to the Hospital Director the authority to negotiate discounts with non-federal, non-state, non-contracted third party health care insurance carriers and self-pay individuals.

Zareh Sarrafian  
Hospital Director

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

**SOURCE OF FUNDS:**

Budget Adjustment: None

For Fiscal Year: 14/15

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

APPROVE

BY:   
Debra Courmoyer

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and is set for public hearing on Tuesday, April 7, 2015, at 9:30 a.m.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: March 10, 2015  
 xc: RCRMC, COB

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-30

FORM APPROVED COUNTY COUNSEL  
 BY:   
 ANITA C. WILLIS  
 DATE: 2-26-15

Departmental Concurrence

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

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
FORM 11: FY 2014/15 Rate Adjustment for the Riverside County Regional Medical Center**

**DATE: February 24, 2015**

**PAGE: 2 of 2**

**BACKGROUND:**

Previous to the recommended change below, RCRMC last increased prices over two years ago on July 31, 2012.

To ensure charges are market based Huron Healthcare, as part of their engagement, compared RCRMC's charges to the local market and recommend price increases and decreases based on competitor pricing, historical usage, and contractual reimbursement. The local market analysis included among others, Arrowhead Regional Medical Center, Hemet Valley Medical Center, Loma Linda University Medical Center and Riverside Community Hospital.

The Hospital's Charge Description Master (CDM) contains the billing Current Procedural Terminology (CPT), Health Care Common Procedure Coding Systems (HCPCS), revenue codes and retail charges for over 17,500 patient supplies, procedures, daily room rates and clinic rates for services rendered or performed at and billed by the Hospital.

Huron's analysis of the publically available data filed by the hospitals in the local market showed hospitals are increasing prices by an average of 10.35 percent annually. Additionally, the U.S. Bureau of Labor Statistics recorded a growth in the costs of medical care by 2.5 percent within the Los Angeles – Riverside – Orange County region between December 2013 and December 2014. Assuming constant growth, this rate would show an increase in overall medical care costs of 6.37 percent ( $1.025 \times 1.025 \times 1.0125$ ) since the 2012 price increase. Based on these figures, opportunity exists for RCRMC to increase overall charges in order to keep up with market inflation and maintain competitive pricing.

This review provides justification for an increase to the CDM and will enhance hospital net revenue. The analysis resulted in recommended changes which would increase annual gross revenue by 7.98 percent and enhance net revenue by approximately \$2.8 million over the next 12 month period.

**Impact on Citizens and Businesses**

As a result of the Affordable Care Act nearly all individuals have some type of coverage though Federal, State or Covered California programs and it is anticipated that the impact of the increase to other individuals (working poor or undocumented) would be minimal as the hospital provides discounts or free care to all that are unable to pay.

RESOLUTION NO. 2015-062

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

WHEREAS, The Riverside County Regional Medical Center (hereinafter referred to as the "Hospital") has a Charge Description Master (CDM) which contains the billing codes and retail charges for over 17,500 patient supplies and procedures for services rendered or performed at, and billed for by, the Hospital, and

WHEREAS, the Hospital cost will increase in Fiscal Year 2014/2015;

WHEREAS, the billing rates are used to obtain reimbursement from third-parties and patients for these costs; and

WHEREAS, a rate increase has been the subject of a public hearing;

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on \_\_\_\_\_ 2015 that:

1. The Hospital is authorized to increase the current hospital charge structure by 7.98%.
2. The Hospital Director is authorized to implement the rate increase.
3. The Hospital Director is authorized to adjust, add or delete rates within the Hospital's rate structure as may be required by Federal and State regulatory or statutory charges.
4. The Hospital Director is authorized to negotiate discounts with non-federal, non-state, non-contracted third party health care insurance carriers and self-pay individuals.

ZHS:BG:vj  
02/25/15

FORM APPROVED COUNTY COUNSEL

BY:  ANITA C. WILLIS

2-26-15  
DATE

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
to Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** CAROLY GRANT

**Address:** \_\_\_\_\_  
(only if follow-up mail response requested)

**City:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Date:** 10TH MAR 2015 **Agenda #** 3-30

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

\_\_\_\_\_ **Support**      \_\_\_\_\_ **Oppose**      \_\_\_\_\_ **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_

## **BOARD RULES**

### **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

### **Requests to Address Board on items that are "NOT" on the Agenda:**

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

### **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

### **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

### **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

### **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.