

FORM APPROVED COUNTY COUNSEL
 BY: Anita C. Willis 6-7-16
 DATE

Departmental Concurrence

920



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

FROM: Riverside University Health System – Medical Center

SUBMITTAL DATE:
 May 25, 2016

SUBJECT: Approval of FY 2016/17 Rate Adjustment for the Riverside University Health System – Medical Center

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve resolution No. 2016-133 to increase the current hospital charge structure by 6.09%.
2. Delegate to the Assistant CEO – Health System authority to implement the rate increase;
3. Delegate to the Assistant CEO – Health System 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 Assistant CEO – Health System the authority to negotiate discounts with non-federal, non-state, non-contracted third party health care insurance carriers and self-pay individuals.

BACKGROUND:

Summary

Approval of this document will raise hospital charges 6.09 percent to keep up with market inflation. Previous to the recommended change, the Medical Center last increased prices in April, 2015.

(continued on next page)

Zareh H. Sarafian
 Zareh H. Sarafian
 Assistant CEO – Health System

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: N/A
Budget Adjustment: No
For Fiscal Year: FY 16/17

C.E.O. RECOMMENDATION:

APPROVE

BY: Christopher M. Hans

County Executive Office Signature Christopher M. Hans

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Washington, Benoit and Ashley
 Nays: None
 Absent: Tavaglione
 Date: July 12, 2016
 xc: RUHS

Kecia Harper-Ihem
 Clerk of the Board
 By: Kecia Harper-Ihem
 Deputy

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

Prev. Agn. Ref.: 06/21/16 3-62 | **District:** | **Agenda Number:**

9-4

BACKGROUND:

Summary

Riverside University Health System – Medical Center (RUHS-MC) has a Charge Description Master (CDM) that contains the billing Current Procedural Terminology (CPT), Health Care Common Procedure Coding Systems (HCPCS), revenue codes and retail charges for over 16,000 patient supplies, procedures, daily room rates and clinic rates for services rendered or performed at and billed by the Hospital.

RUHS-MC's labor costs have increased in excess of the proposed increase as a result of union wage and benefit increases. Despite those increases RUHS-MC did not increase charges during FY 2015/16. Based on the research, an opportunity exists for RUHS-MC to increase overall charges in order to keep up with market inflation and maintain competitive pricing.

To ensure charges are market based, staff checked back with Huron Healthcare - who as part of their engagement in 2015, compared RUHS-MC's charges to the local market and recommended a mix of price increases and decreases based on competitor pricing, historical usage, and contractual reimbursement. A high level update of market data was recently supplied and supports the proposed increase. The local market analysis included among others, Riverside Community Hospital, San Geronio Memorial Hospital, Parkview Community Hospital, Arrowhead Regional Medical Center, Loma Linda University Medical Center, Hemet Valley Medical Center, and Southwest Healthcare System.

Increased cost and the updated data provided by Huron Healthcare provides justification for an increase to the CDM which will enhance hospital net revenue. The analysis resulted in recommended changes which would increase annual gross revenue by 6.09 percent and enhance net revenue by approximately \$1.9 million over the next 12 month period if effective July 1, 2016.

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.

2
3 RESOLUTION NO. 2016-133

4 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
5 COUNTY OF RIVERSIDE TO INCREASE THE CURRENT RATE STRUCTURE OF THE
6 RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER

7 WHEREAS, The Riverside University Health System – Medical Center (hereinafter
8 referred to as the “Hospital”) has a Charge Description Master (CDM) which contains the billing
9 codes and retail charges for over 16,000 patient supplies and procedures for services rendered
10 or performed at, and billed for by, the Hospital, and

11 WHEREAS, the Hospital cost will increase in Fiscal Year 2016/2017;

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

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

15 NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of
16 the County of Riverside, State of California, in regular session assembled on July 12
2016 that:

- 17 1. The Hospital is authorized to increase the current hospital charge structure by
- 18 6.09%.
- 19 2. The Assistant CEO – Health System is authorized to implement the rate
- 20 increase.
- 21 3. The Assistant CEO – Health System is authorized to adjust, add or delete rates
- 22 within the Hospital’s rate structure as may be required by Federal and State
- 23 regulatory or statutory charges.
- 24 4. The Assistant CEO – Health System is authorized to negotiate discounts with
- 25 non-federal, non-state, non-contracted third party health care insurance carriers
- 26 and self-pay individuals.

26 ROLL CALL:

27 Ayes: Jeffries, Washington, Benoit and Ashley
 28 Nays: None
 29 Absent: Tavaglione

30 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-IHEM, Clerk of said Board

By 

Deputy

FORM APPROVED COUNTY COUNSEL
 BY: *Anita C. Willis*
 ANITA C. WILLIS
 DATE: 6-7-16

Departmental Concurrence

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

920C



FROM: Riverside University Health System – Medical Center

SUBMITTAL DATE:
May 25, 2016

SUBJECT: Scheduling of Public Hearing to Consider FY 2016/17 Rate Adjustment for the Riverside University Health System – Medical Center

RECOMMENDED MOTION: That the Board of Supervisors:

1. Direct that a public hearing be set to discuss the implementation of a 6.09% rate increase at Riverside University Health System – Medical Center;
2. Direct that at the close of the hearing, the Board shall approve or deny resolution No. 2016-133 to increase the current medical center charge structure by 6.09%.

BACKGROUND:

Summary

Approval of this document will set a public hearing to consider raising hospital charges 6.09 percent to keep up with market inflation. The Medical Center last increased prices in April, 2015.

(Continued on Next Page)

Zareh H. Sarrafian
Assistant CEO – Health System

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: N/A

Budget Adjustment: No
For Fiscal Year: FY 16/17

C.E.O. RECOMMENDATION:

APPROVE

BY: *Christopher M. Hans*
Christopher M. Hans

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, July 12, 2016, at 9:00 a.m. or as soon as possible thereafter.

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
 Nays: None
 Absent: None
 Date: June 21, 2016
 xc: RUHS, COB

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: | District: | Agenda Number:

3-62

A-30
 Positions Added
 4/5 Vote
 Change Order

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Scheduling of Public Hearing to Consider FY 2016/17 Rate Adjustment for the Riverside
University Health System – Medical Center**

DATE: May 25, 2016

PAGE: 2 of 2

BACKGROUND:

Summary

Riverside University Health System – Medical Center (RUHS-MC) has a Charge Description Master (CDM) that contains the billing Current Procedural Terminology (CPT), Health Care Common Procedure Coding Systems (HCPCS), revenue codes and retail charges for over 16,000 patient supplies, procedures, daily room rates and clinic rates for services rendered or performed at and billed by the Hospital.

RUHS-MC's labor costs have increased in excess of the proposed increase as a result of union wage and benefit increases. Despite those increases RUHS-MC did not increase charges during FY 2015/16. Based on the research, an opportunity exists for RUHS-MC to increase overall charges in order to keep up with market inflation and maintain competitive pricing.

To ensure charges are market based, staff checked back with Huron Healthcare - who as part of their engagement in 2015, compared RUHS-MC's charges to the local market and recommended a mix of price increases and decreases based on competitor pricing, historical usage, and contractual reimbursement. A high level update of market data was recently supplied and supports the proposed increase. The local market analysis included among others, Riverside Community Hospital, San Geronio Memorial Hospital, Parkview Community Hospital, Arrowhead Regional Medical Center, Loma Linda University Medical Center, Hemet Valley Medical Center, and Southwest Healthcare System.

Increased cost and the updated data provided by Huron Healthcare provides justification for an increase to the CDM which will enhance hospital net revenue. The analysis resulted in recommended changes which would increase annual gross revenue by 6.09 percent and enhance net revenue by approximately \$1.9 million over the next 12 month period if effective July 1, 2016.

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.

ZHS:wg



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1ST FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (909) 955-1060
FAX: (909) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

June 23, 2016

PRESS ENTERPRISE
ATTN: LEGALS
P.O. BOX 792
RIVERSIDE, CA 92501

E-MAIL: legals@pe.com
FAX: (951) 368-9018

RE: NOTICE OF PUBLIC HEARING: Res. 2016-133 Rate Adjustment for
the Riverside University Health System – Medical Center

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME on Wednesday, June 29, 2016.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, **WITH TWO CLIPPINGS OF THE PUBLICATION.**

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Cecilia Gil

Board Assistant to:
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: PEC Legals Master <legalsmaster@pe.com>
Sent: Thursday, June 23, 2016 10:10 AM
To: Gil, Cecilia
Subject: Re: FOR PUBLICATION: Res. 2016-133 Rate Adj. for RUHS-Medical Center

Received for publication on 6/29

Legal Advertising Phone: 1-800-880-0345 / Fax: 951-368-9018 / E-mail: legals@pe.com

Please Note: Deadline is 10:30 AM, three (3) business days prior to the date you would like to publish. **Additional days required for larger ad sizes
****Employees of The Press-Enterprise are not able to give legal advice of any kind******

The Press-Enterprise PE.COM / UNIDOS

From: Gil, Cecilia <CCGIL@rcbos.org>
Sent: Thursday, June 23, 2016 9:47:58 AM
To: PEC Legals Master
Subject: FOR PUBLICATION: Res. 2016-133 Rate Adj. for RUHS-Medical Center

Notice of Public Hearing for publication on Wednesday, June 29, 2016. Please confirm. THANK YOU!

Cecilia Gil

Board Assistant
Clerk of the Board of Supervisors
(951) 955-8464
MS# 1010



OFFICE OF
CLERK OF THE BOARD OF SUPERVISORS
1ST FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (909) 955-1060
FAX: (909) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

June 23, 2016

THE DESERT SUN
ATTN: LEGALS
P.O. BOX 2734
PALM SPRINGS, CA 92263

E-MAIL: legals@thedesertsun.com
FAX: (760) 778-4731

RE: NOTICE OF PUBLIC HEARING: Res. 2016-133 Rate Adjustment for
the Riverside University Health System – Medical Center

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME on Wednesday, June 29, 2016.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, **WITH TWO CLIPPINGS OF THE PUBLICATION.**

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Cecilia Gil

Board Assistant to:
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: Email, TDS-Legals <legals@thedesertsun.com>
Sent: Thursday, June 23, 2016 10:37 AM
To: Gil, Cecilia
Subject: RE: FOR PUBLICATION: Res. 2016-133 Rate Adj. for RUHS-Medical Center

Received and will publish as requested

Lynne Stephenson

Executive Assistant to the President and Publisher



Mobile: 760.880.3859
Office: 760.778.4502
lynne.stephenson@desertsun.com

desertsun.com

From: Gil, Cecilia [mailto:CCGIL@rcbos.org]
Sent: Thursday, June 23, 2016 9:48 AM
To: Email, TDS-Legals <legals@thedesertsun.com>
Subject: FOR PUBLICATION: Res. 2016-133 Rate Adj. for RUHS-Medical Center

Notice of Public Hearing for publication on Wednesday, June 29, 2016. Please confirm. THANK YOU!

Cecilia Gil

Board Assistant
Clerk of the Board of Supervisors
(951) 955-8464
MS# 1010

NOTICE OF PUBLIC HEARING BEFORE THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY

NOTICE IS HEREBY GIVEN that a public hearing at which all interested persons will be heard, will be held before the Board of Supervisors of Riverside County, California, on the 1st Floor Board Chambers, County Administrative Center, 4080 Lemon Street, Riverside, on **Tuesday, July 12, 2016 at 9:00 a.m.** to consider the following Rate Adjustment:

RESOLUTION NO. 2016-133

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO INCREASE THE CURRENT RATE STRUCTURE OF THE RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER

WHEREAS, The Riverside University Health System – Medical Center (hereinafter referred to as the “Hospital”) has a Charge Description Master (CDM) which contains the billing codes and retail charges for over 16,000 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 2016/2017;

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

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 July 12, 2016 that:

1. The Hospital is authorized to increase the current hospital charge structure by 6.09%.
2. The Assistant CEO – Health System is authorized to implement the rate increase.
3. The Assistant CEO – Health System 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 Assistant CEO – Health System is authorized to negotiate discounts with non-federal, non-state, non-contracted third party health care insurance carriers and self-pay individuals.

Any person wishing to testify in support of or in opposition may do so in writing between the date of this notice and the public hearing, or may appear and be heard at the time and place noted above. All written comments received prior to the public hearing will be submitted to the Board of Supervisors and the Board of Supervisors will consider such comments, in addition to any oral testimony, before making a decision on the proposed Rate Adjustment.

Please send all written correspondence to:

Clerk of the Board
4080 Lemon Street, 1st Floor
Post Office Box 1147
Riverside, CA 92502-1147

Alternative formats available to people with disabilities. If you require reasonable accommodation, please contact Lisa Wagner at (951) 955-1063, 72 hours prior to the hearing.

Dated: June 23, 2016

Kecia Harper-Ihem
Clerk of the Board
By: Cecilia Gil, Board Assistant