



SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH SYSTEM MEDICAL CENTER GOVERNING BOARD COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Riverside University HEALTH SYSTEM Medical Center

ITEM 15.6 (ID # 10231)

MEETING DATE: Tuesday, July 23, 2019

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Public Hearing to Consider Fiscal Year 2019/2020 Rate Adjustment for the Riverside University Health System – Medical Center, District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Approve resolution No. 2019-165 to make changes to the Charge Description Master (CDM) for the Riverside University Health System- Medical Center;
2. Delegate to the RUHS-MC CEO authority to implement the CDM changes; and
3. Delegate to the RUHS-MC CEO authority to make future changes to the hospital CDM from time to time consistent with prevailing market rates for similar services within the local area or as dictated by federal and state regulation changes or requirements.

ACTION: Policy

Handwritten signature of Jennifer Cruikshank, Chief Executive Officer - Health System, dated 7/17/2019.

MINUTES OF THE GOVERNING BOARD

(3) On motion of Supervisor Jeffries, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: July 23, 2019
xc: RUHS

Kecia R. Harper
Clerk of the Board
By: [Signature] Deputy

**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: Approve

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 charges for over 16,000 patient supplies, procedures, daily room rates and clinical rates for services performed at and billed by the hospital. RUHS-MC is recommending a mix of price increases and decreases to the CDM based on competitor pricing, historical usage, and contractual reimbursement opportunities.

The CDM charges are, essentially, the “list price” against which the hospital negotiates discounts with managed care payors and those paying cash. In accordance with AB 1045 (Chapter 532, Statutes of 2005), the RUHS-MC CDM (similar to those of all acute care hospitals in California) is publicly available both on the RUhealth.org website and through the state’s Office of Statewide Health Planning and Development (OSHPD).

RUHS-MC charges in the CDM have not been updated since July 2016 when a 6.09% across the board increase was approved by this Board.

Based on recent research, an opportunity exists for RUHS-MC to increase overall charges in order to keep pace with market inflation. To ensure charges are market-based, hospital staff compared RUHS-MC’s charges to those at hospitals within the local market. The local analysis included Riverside Community Hospital, San Geronio Memorial Hospital, Parkview Community Hospital, Arrowhead Regional Medical Center, and Loma Linda University Medical Center. This review of market data supports the proposed increase.

RUHS-MC has experienced a cumulative 11% growth in operational costs over the last two years. The proposed recommended changes are projected to increase annual gross revenue by 10% and enhance net revenue by approximately \$2 million over the next 12-month period.

**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

RUHS-MC also requests a delegation of authority to the RUHS-MC CEO to increase and keep all charges consistent with prevailing market rates for similar services within the local area going forward. Providing the hospital administrator with this authority will allow RUHS-MC to stay competitive in a dynamic market.

Impact on Residents and Businesses

The Affordable Care Act has made it possible for most individuals to find coverage through some type of Federal, State or Covered California insurance program. Some patient co-payments may be affected but increased beyond the rate that the same procedure would be charged at another area hospital. The proposed rate increase is not expected to impact vulnerable individuals as the Medical Center will continue to provide its financial assistance program and the County's Medically Indigent Services Program (MISP), for those unable to pay. Information about those programs is available on ruhealth.org.

ATTACHMENT: RESOLUTION NO. 2019-165
A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE AUTHORIZING CHANGES IN THE RATE
STRUCTURE OF THE RIVERSIDE UNIVERSITY HEALTH SYSTEM-
MEDICAL CENTER


Brianna Lentajo, Management Analyst

7/17/2019


Gregory V. Priamos, Director County Counsel

7/17/2019

2 RESOLUTION NO. 2019-165

3 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
4 AUTHORIZING CHANGES IN THE RATE STRUCTURE OF THE RIVERSIDE UNIVERSITY
5 HEALTH SYSTEM – MEDICAL CENTER

6 **WHEREAS**, the Riverside University Health System – Medical Center (“Hospital”) has a Charge
7 Description Master (CDM) which contains the billing codes and retail charges for over 16,000 patient
8 supplies used and services performed at and billed by the Hospital, and

9 **WHEREAS**, the Hospital’s CDM charges have not been updated since July 2016; and

10 **WHEREAS**, the charges in the CDM are used to obtain reimbursement from third-parties and
11 patients for the costs related to the supplies and services related to patient care; and

12 **WHEREAS** the County is committed to full cost recovery for the services it offers, which includes
13 periodic and timely adjustments to the Hospital CDM to reflect increases in the costs of providing those
14 services; and

15 **WHEREAS** the Hospital maintains a financial assistance policy for those unable to pay the cost of
16 their care; and


17 **WHEREAS**, the proposed changes to the Hospital’s CDM and this resolution has been the subject
18 of a public hearing;

19 **NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board Of
20 Supervisors of the County of Riverside, in regular session assembled on July 23, 2019, in the meeting
21 room of the Board of Supervisors of the District located on the 1st floor of the County Administrative
22 Center, 4080 Lemon Street, Riverside, California, that this Board:

23 **Section 1. Recitals.** Finds that the Recitals set forth above are true and correct and are incorporated
24 in this Resolution by this reference.

25 **Section 2. Authority to Change CDM.** Authorizes the Hospital to make the proposed changes to
26 the CDM.

27 **Section 3. Direction and Authority to the RUHS-Medical Center CEO.** Authorizes the RUHS-
28 Medical CEO to implement the current changes and to adjust, add or delete charges within the Hospital’s
CDM from time to time consistent with prevailing market rates for similar services within the local area or
as dictated by federal and state regulation changes or requirements.

FORM APPROVED COUNTY COUNSEL
BY:  DATE 6/20/2019
MARTHA ANN KNUXTSON

1 **Section 4. Authorization for Riverside University Health System Only.** Authorizes this
2 Resolution for the Riverside University Health System Medical Center and no other County department,
3 agency, authority or other public or non-profit entity under its authority.

4 **Section 5. Effective Date.** Orders, that upon approval by the Board of Supervisors, this action is
5 immediate and will go into full force and effect for a period of 36 months and expires on June 30, 2022.

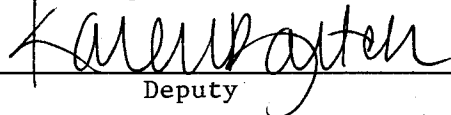
6 **Section 6. Rescission.** This Resolution may be rescinded at any time prior to the expiration date
7 through Board action.

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9
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12 ROLL CALL:

13 Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
14 Nays: None
15 Absent: None

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

18 Kecia R. Harper, Clerk of said Board

19 By 
20 Deputy

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



15.6
(MT 10231)

(1)

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Riverside University Health System-Medical Center regarding the Public Hearing to Consider Fiscal Year 2019/2020 Rate Adjustment for the Riverside University Health System-Medical Center is approved as recommended.

(2)

On Motion of Supervisor Washington, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter be reconsidered.

Roll Call:

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Hewitt

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on July 23, 2019 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: July 23, 2019
Kecia R. Harper, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: *Kecia R. Harper* Deputy

AGENDA NO.
15.6

XC:



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
15.2
(ID # 10188)

MEETING DATE:
Tuesday, July 2, 2019

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Scheduling of Public Hearing to Consider Fiscal Year 2019/2020 Rate Adjustment for the Riverside University Health System – Medical Center, District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce and set for a public hearing on July 23, 2019 for approval to implement a 10% rate increase at Riverside University Health System – Medical Center;
2. Authorize the Clerk of the Board to place an advertisement for the public hearing in the appropriate local publications;
3. Adopt Resolution No. 2019-165 to increase the current hospital charge structure after it closes; and
4. Delegate to the RUHS-MC CEO authority to make future changes to the hospital Charge Description Master (CDM) from time to time consistent with prevailing market rates for similar services within the local area or as dictated by federal and state regulation changes or requirements.

ACTION: Policy, Clerk to Advertise, Set for Hearing

Jennifer Cruikshank
Jennifer Cruikshank, Chief Executive Officer – Health System 6/20/2019

MINUTES OF THE GOVERNING BOARD

On motion of Supervisor Perez, seconded by Supervisor Hewitt and duly carried, IT WAS ORDERED that the above matter is approved as recommended and is set for public hearing on Tuesday, July 23, 2019 at 9:30 a.m. or as soon as possible thereafter.

Ayes: Jeffries, Perez and Hewitt
Nays: None
Absent: Spiegel and Washington
Date: July 2, 2019

Page 1 of 3 RUHS-Medical Center, COB 10188

Kecia Harper
Clerk of the Board
By: *[Signature]*
Deputy

**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH
SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

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RUHS-MC charges in the CDM have not been updated since July 2016 when a 6.09% across the board increase was approved by the Board of Supervisors on July 12, 2016, item 9-4.

Based on recent research, an opportunity exists for RUHS-MC to increase overall charges in order to keep pace with market inflation. To ensure charges are market-based, hospital staff compared RUHS-MC’s charges to those at hospitals within the local market. The local analysis included Riverside Community Hospital, San Geronio Memorial Hospital, Parkview Community Hospital, Arrowhead Regional Medical Center, and Loma Linda University Medical Center. This review of market data supports the proposed increase.

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Gregory V. Priamos, Director County Counsel 6/20/2019