

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

February 27, 2024

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Charge Description Master Increase

**RECOMMENDATION(S)**

Authorize Arrowhead Regional Medical Center to amend and increase the rates in the Arrowhead Regional Medical Center Charge Description Master by 8%, effective March 1, 2024. (Presenter: William L. Gilbert, Director, 580-6150)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The Charge Description Master (CDM) will allow Arrowhead Regional Medical Center (ARMC) to bill for all charges consistent with operational expenses and third-party reimbursements with the commitment towards full cost recovery. This increase is estimated to generate approximately \$3.9 million in additional net revenue per year, which will be utilized to offset against anticipated increased costs to ARMC's operations.

**BACKGROUND INFORMATION**

Approval of this item will authorize ARMC to increase the rates on the Charge Description Master by 8% which would keep ARMC's charges equivalent to area market rates. The adjustment in patient charges will correspond to and result in an increase in reimbursement from non-governmental payors.

This 8% increase of charges will assist in recovering necessary revenue needed to provide healthcare for San Bernardino County residents. The cost of medical care is affected by the implementation of costly new procedures and drugs. Additionally, the minimum wage increase in California impacts healthcare costs.

The CDM is the price list for services and items provided at ARMC facilities and includes the comprehensive listing of billing codes for such services and items. ARMC is required to have a CDM that contains the billing Current Procedural Terminology, Health Care Common Procedure Coding Systems, revenue codes and charges for patient supplies, procedures, daily room rates and clinical rates for services performed at and billed by ARMC.

**Charge Description Master Increase  
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On October 3, 2023 (Item No. 10), the Board of Supervisors (Board) approved the Charge Description Master, which reflects the billable charges for inpatient, facility, ancillary, and certain professional services.

Under Health & Safety Code Section 1473, the Board of Supervisors in each county may fix the rates charged to patients admitted to any county hospital.

ARMC recommends that the Board, as the governing board of ARMC, approve the increase to the CDM rates as it will allow ARMC to bill for its services consistent with surrounding hospitals and to provide for the health and social services needs of County residents by providing more accurate billing for patients and to mitigate against increased costs to ARMC's operations.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Charles Phan, Deputy County Counsel, 387-5455) on January 9, 2024; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on February 2, 2024; Finance (Jenny Yang, Administrative Analyst, 387-4884) on February 5, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on February 7, 2024.

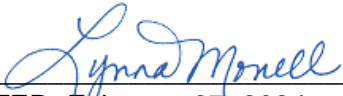
**Charge Description Master Increase  
February 27, 2024**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman    Seconded: Joe Baca, Jr.  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: February 27, 2024



cc:     File - Medical Center  
CCM   02/29/2024