

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

**November 4, 2025**

**FROM**

**ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center**

**SUBJECT**

Amendment to Agreement with American Medical Association to Utilize the Current Procedural Terminology Code Sets

**RECOMMENDATION(S)**

1. Approve **Amendment No. 6 to Internal Use License Agreement No. 20-602** with the American Medical Association, effective as of November 4, 2025 for license access to Current Procedural Terminology code sets, increasing the agreement amount by \$41,000 from \$212,728 to \$253,728 with no change to the agreement period beginning July 28, 2020, and continuing indefinitely until terminated by either party.
2. Authorize the ARMC Chief Executive Officer to approve and sign future annual amendments to Internal Use License Agreement No. 20-602 to incorporate updated royalty rates for the Current Procedural Terminology code sets, provided the total annual cost does not exceed \$50,000, subject to review by County Counsel.
3. Direct the ARMC Chief Executive Officer to transmit all future amendments to Internal Use License Agreement No. 20-602 to the Clerk of the Board of Supervisors within 30 days of execution.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 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 cost of the American Medical Association's (AMA) royalty rates for the Current Procedural Terminology (CPT) code sets is updated annually, which changes the total agreement amount with each amendment. Amendment No. 6 (Amendment) to Internal Use License Agreement No. 20-602 (Agreement) will increase the total amount of the Agreement by \$41,000 from \$212,728 to \$253,728. The cost of the Amendment is funded by State Medi-Cal, Federal Medicare, private insurance, and other departmental revenue. Funding sources may change in the future pending, any legislative activity related to the repeal and/or replacement of the Affordable Care Act. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2025-26 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

**Amendment to Agreement with American Medical Association to Utilize  
the Current Procedural Terminology Code Sets  
November 4, 2025**

Approval of this Amendment will allow ARMC to access AMA's most up-to-date edition of the CPT code sets, which provide uniform language for coding medical services and procedures. Access to CPT code sets offer doctors and health care workers the ability to streamline reporting and increase accuracy in the delivery of health care services.

AMA provides CPT royalty rates each January on an annual basis. Rates are determined each year by bed and billing provider formulas. As such, this Agreement requires an annual amendment reflecting updated licensing costs that correlate with the number of hospital end-users. Although this Agreement is indefinite, future amendments are anticipated and will reflect royalty fees in alignment with the bed and billing formula associated with that calendar year. Approval of the Amendment will allow ARMC to access the 2026 CPT code sets, starting January 1, 2026, for use with the Epic Corporation Electronic Healthcare System.

On July 28, 2020 (Item No. 7), as the result of a non-competitive procurement, the Board of Supervisors (Board) approved the Agreement with AMA, in the amount of \$33,947, for the period of July 28, 2020, and continuing indefinitely for license access to CPT code sets.

On February 9, 2021 (Item No. 13), the Board approved Amendment No.1 to the Agreement with the AMA, increasing the amount by \$37,000, increasing the total amount from \$33,947 to \$70,947 to cover the cost of the new CPT code sets, for the period of February 9, 2021, and continuing indefinitely for license access to CPT code sets.

On January 25, 2022 (Item No. 10), the Board approved Amendment No. 2 to the Agreement with the AMA, retroactively effective on December 7, 2021, for license access to the new CPT code sets, increasing the annual amount by \$33,964, increasing the total amount from \$70,947 to \$104,911, with no change to the period beginning July 28, 2020, continuing indefinitely until terminated by either party.

On November 15, 2022 (Item No. 7), the Board approved Amendment No. 3 to the Agreement with the AMA, effective on December 7, 2022, for license access to CPT code sets, increasing the annual amount by \$34,943, from \$104,911 to \$139,854, with no change to the period beginning July 28, 2020, continuing indefinitely until terminated by either party.

On November 14, 2023 (Item No. 10), the Board approved Amendment No. 4 to the Agreement with the AMA, effective on December 7, 2023, for license access to CPT code sets, in the annual amount of \$35,939, for a new total of \$175,793 through 2024, with no change to the period beginning July 28, 2020, continuing indefinitely until terminated by either party.

On September 24, 2024 (Item No. 9), the Board approved Amendment No. 5 to the Agreement with the AMA, effective on September 24, 2024, for license access to CPT code sets, increasing the agreement amount by \$36,935, from \$175,793 to a new total agreement amount of \$212,728, with no change to the agreement period beginning July 28, 2020, and continuing indefinitely until terminated by either party.

ARMC recommends approval of the Amendment, to provide for the safety, health and social service needs of County residents and allow continued patient care.

Approval of Recommendation No. 2 grants the ARMC Chief Executive Officer the authority to execute future annual Amendments to update the royalty rates for the CPT code sets, provided the total annual cost does not exceed \$50,000, subject to review by County Counsel. ARMC

**Amendment to Agreement with American Medical Association to Utilize  
the Current Procedural Terminology Code Sets  
November 4, 2025**

recommends approval of this item to ensure the seamless continuation of essential services. This measure is critical for maintaining the updated CPT code sets, which are indispensable for enhancing the precision and efficiency of medical reporting and service delivery by healthcare professionals.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Kaleigh Ragon, Deputy County Counsel, 387-5455) on October 1, 2025; Purchasing (Veronica Pedace, Buyer III, 387-2464) on September 30, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on October 10, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on October 16, 2025.

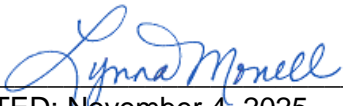
**Amendment to Agreement with American Medical Association to Utilize  
the Current Procedural Terminology Code Sets  
November 4, 2025**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

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

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: November 4, 2025



cc: ARMC - Goldfrach w/agree  
Contractor - c/o ARMC w/agree  
File - w/agree  
MBA 11/5/2025