



San Bernardino County

Legislation Text

File #: 3637, Agenda Item #: 13

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

February 9, 2021

FROM

WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center

SUBJECT

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

RECOMMENDATION(S)

Approve Amendment No. 1 to User License Agreement No. 20-602 with the American Medical Association, for license access to current procedural terminology code sets, increasing the amount by \$37,000, from \$33,947 to \$70,947, effective February 9, 2021 and continuing indefinitely.
(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 the recommendation will not result in the use of Discretionary General Funding (Net County Cost). The cost of \$37,000 is funded by State Medi-Cal, Federal Medicare, private insurances, 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. This contract will require an annual amendment reflecting updated licensing costs that correlate with the number of hospital end-users.

BACKGROUND INFORMATION

Approval of this item will allow Arrowhead Regional Medical Center (ARMC) the use of the American Medical Association (AMA) Current Procedural Terminology (CPT) code sets, which provide uniform language for coding medical services and procedures offering doctors and health care workers the ability to streamline reporting, and increase accuracy and efficiency in the delivery of health care services.

AMA only provides Current Procedural Terminology royalty rates on an annual basis that are determined by bed and billing provider formulas. For that reason, although this contract is indefinite, future amendments are anticipated that will reflect royalty fees in alignment with the bed and billing formula associated with that calendar year.

On July 28, 2020 (Item No. 7), the Board approved Agreement No. 20-602 with American Medical Association (AMA) in the amount of \$33,947 for the period of July 29, 2020 continuing indefinitely for license access to CPT code sets.

PROCUREMENT

The procurement of AMA-CPT codes stems from a non-competitive procurement. CPT is created and maintained by the American Medical Association, the sole source of this proprietary product, providing terminology that is the most widely accepted medical nomenclature used across the United States of America to report medical, surgical, radiology, laboratory, anesthesiology, genomic sequencing, evaluation and management (E/M) services under public and private health insurance programs. Purchasing supports this non-competitive procurement.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Deputy County Counsel, 387-5455) on January 22, 2021; Purchasing Department (Michelle Churchill, Supervising Buyer, 777-2070) on January 26, 2021; ARMC Finance (Chen Wu, Budget and Finance Officer, 580-3165) on January 20, 2021 ; Finance (Yael Verduzco, Administrative Analyst, 387-5285) on January 20, 2021; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on January 24, 2021.