



San Bernardino County

Legislation Text

File #: 7004, Agenda Item #: 7

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

November 15, 2022

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. 3 to User License Agreement No. 20-602 with the American Medical Association, effective on December 7, 2022, for license access to current procedural terminology code sets, increasing the annual amount by \$34,943, from \$104,911 to \$139,854, with no change to the contract period beginning July 28, 2020, continuing indefinitely until terminated by either party.
(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 additional annual cost of \$34,943 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. Adequate appropriation and revenue have been included in the Arrowhead Regional Medical Center (ARMC) 2022-23 budget and will be included in future recommended budgets.

BACKGROUND INFORMATION

Approval of this item will allow ARMC to access the American Medical Association's (AMA) most Current Procedural Terminology (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 contract will require an annual amendment reflecting updated licensing costs that correlate with the number of hospital end-users. Although this contract 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 this item will allow ARMC to access the 2022 CPT code sets for use with the Epic Corporation Electronic Healthcare System.

On July 28, 2020 (Item No. 7), the Board of Supervisors (Board) approved Agreement No. 20-602 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 Agreement No. 20-602 with the AMA, increasing the amount of the contract by \$37,000, 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 Agreement No. 20-602 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, from \$70,947 to \$104,911, with no change to the contract period beginning July 28, 2020, continuing indefinitely until terminated by either party.

PROCUREMENT

The Purchasing Department continues to support this non-competitive procurement as the AMA is the sole provider of this proprietary product.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Bonnie Uphold, Supervising Deputy County Counsel, 387-5455) on October 7, 2022; Purchasing Department (Ariel Gill, Buyer, 777-0722) on October 11, 2022; ARMC Finance (Chen Wu, Finance Budget Officer, 580-3165) on October 28, 2022; Finance (Jenny Yang, Administrative Analyst, 387-4884) on October 28, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-5423) on October 28, 2022.