

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

354



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
May 12, 2008

**SUBJECT:** Exclusive Provider Option - Budget Adjustments

**RECOMMENDED MOTION:** That the Board of Supervisors approve and direct the Auditor-Controller to adjust Appropriations and Estimated Revenues as illustrated in Attachment "A".

**BACKGROUND:** At the start of 2008, the Exclusive Provider Option (EPO) program opened the new pharmacy and clinic operations. The new activities have incurred certain one time start up costs, and has generated increased revenue and claims activity that will exceed original budget expectations. The proposed budget adjustments in Attachment "A" will ensure that the EPO fund meets program requirements.

*Barbara Olivier*

Barbara Olivier  
Asst. Human Resources Director

|                       |                               |              |                         |         |
|-----------------------|-------------------------------|--------------|-------------------------|---------|
| <b>FINANCIAL DATA</b> | Current F.Y. Total Cost:      | \$ 6,426,300 | In Current Year Budget: | NO      |
|                       | Current F.Y. Net County Cost: | \$           | Budget Adjustment:      | YES     |
|                       | Annual Net County Cost:       | \$           | For Fiscal Year:        | 2007/08 |

|   |                                  |                                     |
|---|----------------------------------|-------------------------------------|
| <b>SOURCE OF FUNDS:</b> ISF - Exclusive Provider Option | Positions To Be Deleted Per A-30 | <input type="checkbox"/>            |
|   | Requires 4/5 Vote                | <input checked="" type="checkbox"/> |

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Elizabeth J. Olson*  
Elizabeth J. Olson

**County Executive Office Signature**

FISCAL PROCEDURES APPROVED  
 ROBERT E. BYRD, Auditor-Controller  
 BY: Samuel Wang 5/12/08  
 Deputy Departmental Concurrence

- Consent
- Policy
- Consent
- Policy

Dept Recomm.:  
Per Exec. Ofc.:

**Prev. Agn. Ref.:** | **District:** ALL | **Agenda Number:**

3.31

## ATTACHMENT "A"

Human Resources Department  
 Exclusive Provider Option  
 Proposed Budget Adjustment

### INCREASE APPROPRIATIONS:

|                         |                           |                           |
|-------------------------|---------------------------|---------------------------|
| 45800-1132000000-534500 | Hosp. Care Svcs. Claims   | \$4,500,000               |
| 45800-1132000000-534520 | EPO Pharmaceutical Claims | \$1,926,300               |
|                         | <b>TOTAL</b>              | <u><u>\$6,426,300</u></u> |

### INCREASE ESTIMATED REVENUES:

|                         |                           |                           |
|-------------------------|---------------------------|---------------------------|
| 45800-1132000000-781220 | Contributions & Donations | \$2,725,500               |
| 45800-1132000000-774970 | IHSS Insurance Premiums   | \$1,556,500               |
| 45800-1132000000-740020 | Interest - Invested Funds | \$500,000                 |
| 45800-1132000000-774980 | EPO Select Retiree        | \$450,000                 |
| 45800-1132000000-781120 | Rebates & Refunds         | \$375,000                 |
| 45800-1132000000-777020 | COBRA                     | \$175,000                 |
|                         | <b>Subtotal</b>           | <u><u>\$5,782,000</u></u> |

### EXPECTED OFFSET:

|                         |                         |                           |
|-------------------------|-------------------------|---------------------------|
| 45800-1132000000-380100 | Unrestricted Net Assets | \$644,300                 |
|                         | <b>TOTAL</b>            | <u><u>\$6,426,300</u></u> |