

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

826



FROM: Executive Office

SUBMITTAL DATE:
June 6, 2013


SUBJECT: Health Care Governance Committee (HCGC) update, and Riverside County Regional Medical Center (RCRMC) monthly financial and operational performance update

RECOMMENDED MOTION: That the Board of Supervisors receive and file the Health Care Governance Committee and RCRMC monthly financial and operational performance update

BACKGROUND:

On May 7, 2013, item 3-4, the Board approved the agreement with Huron Consulting to assess the Riverside County health and mental health delivery system, provide recommendations and develop a strategic plan. In addition, the consultant is evaluating the financial and operational performance of the hospital. Interviews are in progress and the data collection phase for both tasks has been initiated. Huron will conduct further interviews with the appropriate stakeholders after reviewing the data. The consultant is on track to provide recommendations prior to adoption of the final budget.

Departmental Concurrence


Debra Courmoyer, Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget: Budget Adjustment: For Fiscal Year:
	Current F.Y. Net County Cost:	\$	
	Annual Net County Cost:	\$	

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: 
County Executive Office Signature Christopher M. Hans

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

2013 JUN 11 AM 3:02
RECEIVED BY THE CLERK OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE CALIFORNIA

The Governor's May Revise included more details about the statewide implementation of the Medi-Cal expansion. Discussions among counties, State administration, legislative staff and California State Association of Counties (CSAC) are ongoing. CSAC has focused their priorities as follows: no realignment of human services programs, no fiscal transactions in FY 13/14 or FY14/15 until a full fiscal year of data is available, and a viable fiscal transaction for the three groups of counties – counties that operate a hospital, County Medical Services Program (CMSP) counties, counties that deliver care through contract or clinics. The Administration proposes redirecting \$300 million of 1991 health realignment funds in FY 13/14, \$900 million in FY 14/15 and \$1.3 billion in FY15/16. The full impact to Riverside County may reach \$38.6 million by FY 15/16. However, counties will still have an obligation to continue serving indigent adults, those not eligible for Medi-Cal or subsidized health insurance through Covered California, and provide core public health services.

As of June 10, CSAC reported there are two formulas/proposals in play for counties:

- Formula with a true-up (Hospital County formula) but this is also open to all counties.
- 60/40 Split: Straight split of 1991 realignment funds but includes MOE. No true-up.

The deadline for choosing one of these options is currently December 1, 2013 but that could change. Counties will have until then to determine which formula will be most beneficial. The Executive Office will work with RCRMC to evaluate the proposals and provide a recommendation to the Board prior to the deadline.

State budget staff continues to score the \$300 million against the general fund reserve and unless the Legislature pushes back on this point, it is likely counties will have to pay in FY 13-14. It is estimated that Riverside County's share of the \$300 million is \$8.9 million.

CSAC staff and the Administration have reached a tentative compromise on the county role in Affordable Care Act (ACA) implementation that does not include complex programmatic realignment. It is expected that there will be further developments between this writing and when the item appears on the Board of Supervisor's agenda. Staff will be available to provide an update if requested.

RCRMC continues to project a cash shortfall of approximately \$35 million. On May 31, 2013, the cash deficit exceeded \$87 million. The Auditor/Controller and RCRMC are working on details for a cash flow loan to provide sufficient working capital for the hospital prior to FY 12/13 year-end. Due to cost saving measures, one-time funds and other efficiencies, the projected budget shortfall is expected to be between \$10 and \$14 million, less than originally projected.