

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

158



FROM: Executive Office

SUBMITTAL DATE:

June 25, 2013

SUBJECT: Cash Loan to Riverside County Regional Medical Center (RCRMC)

RECOMMENDED MOTION: That the Board of Supervisors approve loaning RCRMC up to \$40 million from the Workers Compensation Fund to cover their projected FY 12/13 year-end cash shortfall, and from other funds under the Board's authority as necessary and appropriate.

BACKGROUND: RCRMC's current cash position is negative \$48 million, and they project a year-end negative cash position of \$33 million. Board Policy B-14 directs that no fund be allowed to remain in a negative cash position. This temporary loan will provide working capital while RCRMC's structural budget deficit is resolved. This action formalizes the current situation of funds being used by RCRMC. In regards to a repayment plan, RCRMC is required to repay this loan with interest by June 30, 2014. In the event RCRMC cannot meet this obligation, the General Fund will be required repay this loan, which will have a significant negative impact on the General Fund.

However, RCRMC states they "should collect sufficient revenues to net out the cash deficit for this fiscal year by early October 2013." RCRMC's FY 13/14 requested budget is out of balance for the next fiscal year by \$52 million. Unless steps are taken to obtain the revenues that Mr. Bagley has referenced in his budget presentations to the Board, or steps are taken to reduce or eliminate the services that are currently not funded (or some combination of the two), the cash deficit will only get worse next fiscal year. To alleviate some of these issues, a consultant is on board to provide a road map to dealing with the Affordable Care Act and look for cost efficiencies. They are expected to issue their report at the end of August.

Ivan Chand

Ivan Chand, Deputy County Executive Officer

**FINANCIAL
DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	
Annual Net County Cost:	\$ 0	For Fiscal Year:	FY 13/14

SOURCE OF FUNDS: Workers Compensation Fund and other funds as necessary and appropriate

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 6/27/13
 SAMUEL WONG, COUNTY CLERK
 Approved by Barbara A. Oliver,
 Asst. County Executive Officer/
 Human Resources Director
 Policy ☐ Consent ☐
 Policy ☒ Consent ☐
 Dep't Recomm.:
 Per Exec. Ofc.:

SUBMITTED
 6/27/2013
 COUNTY OF RIVERSIDE

Prev. Agn. Ref.:

District:

Agenda Number:

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