

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

253



FROM: Executive Office

SUBMITTAL DATE:
July 1, 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:

Huron Consulting continues to make progress and expects to deliver a final report to the Health Care Governance Committee the week of August 26, 2013. Interviews with key department executives were conducted the week of June 24. Data for both the strategic plan and the financial and operational performance of the hospital was due from departments prior to the end of June. Additional interviews and onsite analysis are scheduled for the weeks of July 15 and 22. Huron continues to anticipate recommendations will be available for presentation with the final budget.

Departmental Concurrence

Debra Cournoyer

Debra Cournoyer, Deputy County Executive Officer

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

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: *Christopher M. Hans*
County Executive Office Signature Christopher M. Hans

- Policy
- Policy
- Consent
- Consent
- Consent
- Consent

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

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RECEIVED IN REGISTRATION

Prev. Agn. Ref.: 1/29/13 2.18, 2/26/13 2.8, 3/26/13, 4/30/13 2.1, 5/21/13 2.2, 6/18/13	District: All	Agenda Number:	2-4
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The California Association of Public Hospitals and Health Systems (CAPH) submitted a proposal to the Blue Shield of California Foundation to conduct a feasibility study on the development of social accountable care organizations. The one-year study will involve literature review and background research; interviews with key stakeholders, including counties with public hospitals and health systems; a report identifying opportunities and barriers for integrated financing systems; and, dissemination of study findings.

Should the proposal be funded, CAPH is looking for counties interested in participating in the study. CAPH hopes that the information will support member's interest in changes to the health care delivery system focusing on the whole range of service needs of patients. As well as, support members in reforming payment, services and delivery systems to better meet patient's needs and better position public hospitals and health systems as competitive providers of choice in California.

California State Association of Counties (CSAC) continues to work with the legislature on the two formulas for redirecting health realignment funds from counties to the State related to impact of Affordable Care Act (ACT) and Medi-Cal expansion. CAPH will analyze the funding formulas and develop possible funding scenarios. The analysis is expected to be available by September allowing sufficient time for counties to assess the benefits and determine which formula works best. Each county is to make an initial selection by October followed by a final decision in December 2013.

Riverside County Health System (RCHS) staff are working with the Department of Mental Health to station Low-Income Health Program (LIHP) eligibility workers in County Mental Health Clinics countywide. The eligibility function is expected to shift to the Department of Public Social Services when eligible LIHP clients transfer to Medi-Cal. The departments continue to work together to ensure that the transition is successful.

Although FY 12/13 transactions continue to post, as of June 30, 2013, the cash shortfall for RCRMC was \$26.6 million. RCRMC anticipates that sufficient revenue will be collected for FY 12/13 to net out the cash deficit by early October. On July 2, 2013, item 3-3, the Board approved a cash loan to RCRMC up to \$40 million to cover the projected FY12/13 year-end cash shortfall. Although the department will not exceed appropriations, FY 12/13 expenditures are projected to exceed revenue by \$10 to \$14 million.