

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

481



FROM: Executive Office

SUBMITTAL DATE:
August 8, 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 present their draft assessment to the Health Care Governance Committee (HCGC) the week of August 26, 2013. Following the presentation, the HCGC will review the assessment and provide input. It is expected that the report will be delivered to the Board on September 24.

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
Christopher M. Hans
BY _____
Christopher M. Hans

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

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

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 2-8, 7/16/13 2-4	District: All	Agenda Number:
--	----------------------	-----------------------

Counties continue to analyze the two options for redirection of health realignment funds and must tentatively inform the state of their choice between Option 1 or Option 2 by October 1, 2013. Option 1, the 60/40 split, redirects 60 percent of the amount of the health realignment funds (base and growth) plus the amount of the statutory maintenance of effort (MOE) to the state. Although health realignment for FY 13/14 is yet to be determined, the amount is not expected to change significantly from the FY 12/13 amount. So, for example, health realignment funds and MOE totaled approximately \$47 million for FY 12/13, if the amount remains unchanged for FY 13/14, it is estimated that \$28 million would be redirected to the state. Departments currently receiving health realignment funds are RCRMC, Family Care Clinics, Public Health, Medically Indigent Services Program (MISP) and Animal Services.

Option 2, also known as the savings formula, documents costs and assumed revenues for each year to determine the amount of the health realignment funds to be redirected to the state. The formula includes a cap on the amount of health realignment funds that can be redirected at the proportion a county used for indigent care during FY 08/09 through FY 11/12. This formula is much more complicated and public hospital counties continue to work with the California Association of Public Hospitals and Health Systems (CAPH) to develop funding scenarios that are expected to be available in late August. As soon as the funding scenarios are finalized, the HCGC will review the information and provided a recommendation to your Board.

With regard to eligibility and enrollment, DPSS continues to work closely with Covered California and the state to prepare for open enrollment, which is scheduled for October 1, 2013. DPSS is finalizing plans for an expanded call center operation that will be receiving calls via Covered California for individuals who may qualify for the newly defined Medi-Cal Program. Counties with existing call centers are working together to provide the added support required during the open enrollment period. As a result, our regional call center will primarily support residents of Riverside and Imperial counties and may serve as a backup for other counties if an overflow situation arises. During the open enrollment period, in addition to the call center, individuals seeking health care coverage, including both Medi-Cal as well as subsidized health care coverage offered by Covered California, will be able to sign up in-person at any of the DPSS offices.

The state provided counties with additional funding that is being used to support the increase in staff and equipment needed for this operation. DPSS has been hiring staff throughout the year to best meet the current demand for services and to prepare for the anticipated increase in demand related to the Affordable Care Act. While DPSS has been very proactive in preparing for this historic change in the health care system, the department is growing increasingly concerned about having sufficient time to implement the policies, system changes and training materials that, at this late date, are still being finalized by the state and Covered California. Counties are meeting frequently with the state agencies to finalize these important components and are developing materials in the interim to facilitate their readiness. DPSS is as prepared as they can be, but it is important for the Board to be aware that the outstanding items are significant and are preventing the department from adequately preparing staff for the new rules and

the new case management system. As a result, DPSS is concerned about their ability to provide a high quality customer service experience to those who seek to enroll in health care beginning in just a few weeks.

On July 2, 2013, item 3-3, the Board approved a loan of up to \$40 million to RCRMC to cover the projected FY 12/13 cash shortfall. At this time, the FY 12/13 year-end cash shortfall is \$27.1 million.