

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

107



FROM: Executive Office

SUBMITTAL DATE:
December 5, 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:

1. Receive and file the Health Care Governance Committee and RCRMC monthly financial and operational performance update.

BACKGROUND:

Summary

Huron experts at RCRMC and the Health System Strategic Planning team met with RCRMC, county departments and other key leadership throughout November and into December. Early efforts have focused on identifying key staff and establishing steering committees to coordinate efforts for each of the project areas. The non-labor team has launched initiatives expected to generate \$12.9 million in benefits, primarily related to pharmaceutical purchases. The revenue cycle team has initiated cash acceleration

Departmental Concurrence

Continued page 2

Debra Cournoyer
Debra Cournoyer
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS:	Budget Adjustment:
	For Fiscal Year:

C.E.O. RECOMMENDATION: APPROVE
BY: *George A. Johnson*
George A. Johnson
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 6/18/13 2-8, 7/16/13 2-4, 8/20/13 2-8, 9/23/13 4, 10/22/13 2-24, 11/26/13 2-12

District: All

Agenda Number:

2-7

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Health Care Governance Committee (HCGC) update, and Riverside County Regional
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BACKGROUND:

Summary (continued)

activities including an assessment of the emergency department admission process. Clearly assigning responsibility throughout the admission process and ensuring payers are notified and services are authorized and submitted within required timeframes would reduce denials and write-off volumes. The ambulatory physician team is assessing operational initiatives regarding registration and scheduling to improve throughput and reduce patient wait times. Attached is an overview of the implementation timeline, showing progress for key tasks, as well as a graph depicting the projected and implemented cash flow benefits. These charts will be updated and progress reported to the Board on a monthly basis.

The Low Income Health Program (LIHP) eligibility and enrollment activities will continue through December 31, 2013. Riverside County residents may submit applications at Riverside County Regional Medical Center (RCRMC), RCRMC inpatient treatment facility, at the ten County operated Family Care Centers, and Riverside County Department of Mental Health clinics. The Medically Indigent Services Program (MISP) eligibility and enrollment staff champion efforts in these areas. Since October 1, 2013, applications have increased from an average of 4,500 applications per month to last month's 6,298 applications. MISP staff is processing 6,000 applications per month with an approval rate of 89.1 percent. In addition, MISP staff will continue to work with DPSS to assist residents in obtaining eligibility for Medi-Cal.

MISP staff is in the process of becoming certified enrollment workers for Covered California. The application is currently being finalized with Covered California. In addition, a representative from Covered California will visit the site to ensure that it meets the criteria of a certified enrollment entity. At that time, a training schedule along with options for webinar training will be available. This effort will provide County residents with increased access to affordable health in the future.

During November, the Department of Public Social Services (DPSS) received 14,666 Medi-Cal applications countywide. This is a decrease of 29.7 percent from the previous month. DPSS is in the process of evaluating the reason for the decrease; however, the Medi-Cal intake numbers decreased during the same period a year ago.

In its second month of operation, the Riverside Regional Call Center (RRCC) reported 1,238 calls received from Covered California for health coverage and Medi-Cal enrollment. The RRCC accepted 642 Medi-Cal applications in the month of November, which represents a 12.6 percent increase from the previous month.

The last of the Healthy Families program children in Riverside County, approximately 356, transitioned to Medi-Cal and will continue to receive benefits. Riverside County Healthcare (RCHC) beneficiaries active in December will automatically transition to Medi-Cal January 1, 2014.

DPSS has implemented a continuous hiring plan for Medi-Cal staff to ensure adequate staff through the next year. A new Medi-Cal induction training class began November 14, 2013. The class is comprised of 27 eligibility technicians and graduation will be February 5, 2014. The next Medi-Cal induction class will start in March.

There continue to be problems with functionality and reliability of the CalHEERS system, the automated system that supports Covered California and communicates with the departments C-IV system. Issues with the MEDS systems and Customer Identification Numbers (CIN) are in the process of being resolved. California Welfare Directors Association (CWDA), Department of Health Care Services (DHCS), Covered California and CalHEERS continue to work collaboratively to resolve the issues. Weekly health care reform webinars and conference calls continue to facilitate information sharing and program announcements that enhance the understanding of operational challenges and impacts to counties and the community.

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DPSS participates in community forums, to provide residents and Community Based Organizations (CBOs) with information regarding Affordable Care Act (ACA) and Medi-Cal eligibility, enrollment services, health care plan selection, and service access avenues. Information and enrollment events are expected to continue through 2014.

The CWDA is collecting stories from county social services agency staff about their day-to-day experiences helping people understand the expanded health care coverage options under the ACA, and enrolling people into the plans that best meet their needs. Stories from counties may be used to brief legislative staff, the media, and other interested parties to illustrate people's experiences as they seek services, particularly related to the expansion of Medi-Cal under the ACA.

As mentioned previously, DPSS has applied for a \$4.8 million grant from the California Endowment for Medi-Cal outreach and enrollment. The grant is aimed at newly eligible population groups (persons with mental health and substance use disorder needs; homeless persons; persons in the county who are in incarcerated, on parole, on county probation, or under post-release community supervision; families with mixed immigration; persons with limited English proficiency). Grant funds will allow DPSS to hire more eligibility technicians and eligibility services clerks to support Medi-Cal expansion in Riverside County. Collaborative partners include, RCRMC, Probation Department, Department of Mental Health, Department of Public Health, and CBOs. Grant allocations are expected to be announced in January 2014.

The monthly summary of the financial position of the hospital is attached. Included are year-end projections for cash, as well as revenue and expenditures estimates. As of December 3, 2013, based on current year actuals and projections, it is estimated that cash will reach negative \$83.9 million at FY 13/14 year-end, approximately \$665,000 more than the almost \$83.2 million identified in the approved budget. The net income for FY 13/14 year-end is projected to reach a negative \$52.4 million an improvement of \$1.6 million over the October projection of negative \$54 million. Also attached is a chart showing the historic cash position of the hospital with projections through FY 13/14 year-end and actuals through November 2013.

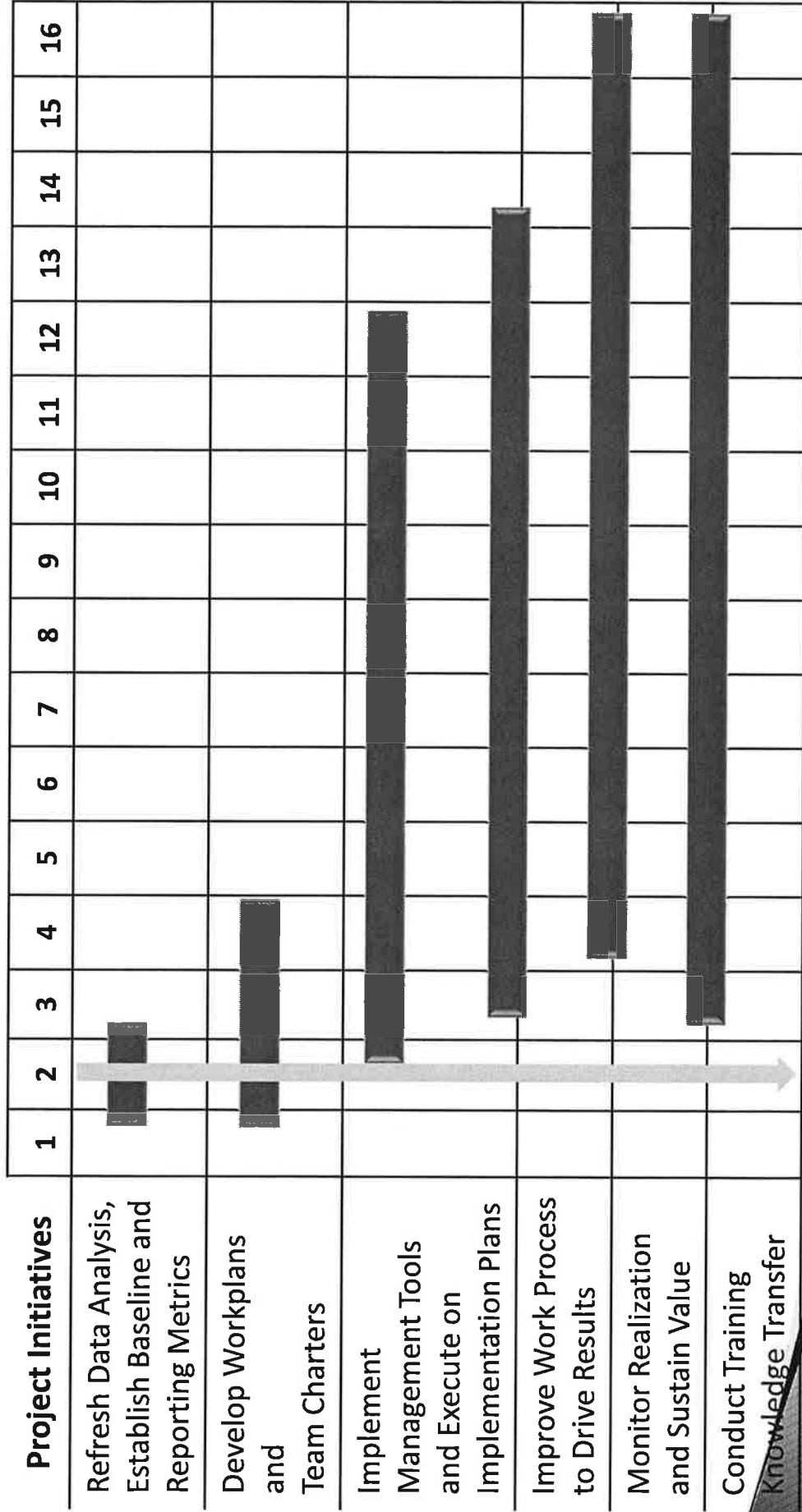
Impact on Residents and Businesses

The implementation of programs developed by Huron is expected to improve the operational and financial position of RCRMC by \$45 million to \$65 million annually.

Overview



Month Implementation Timeline

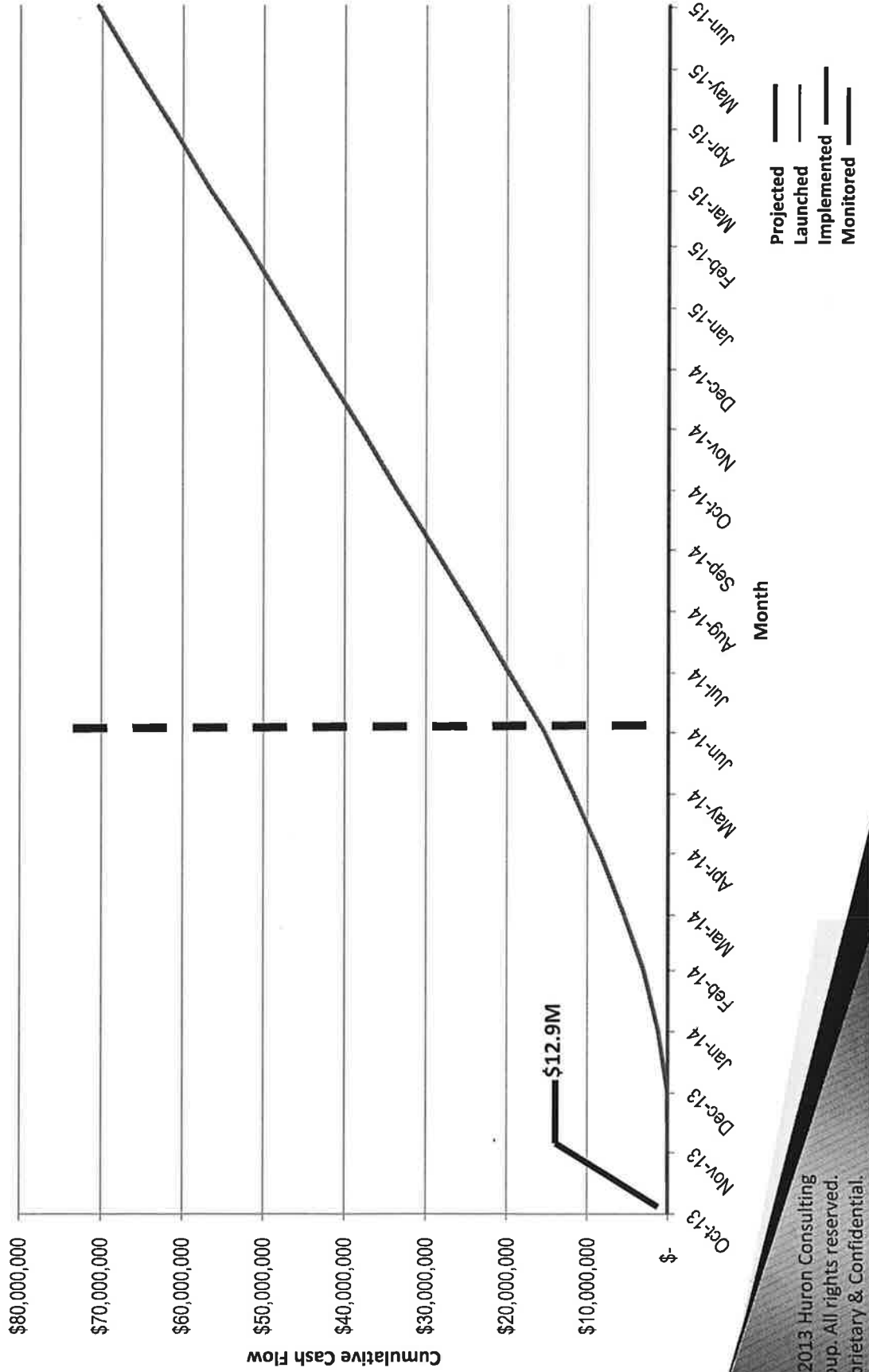


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Benefit Projection



Cumulative Annualized Implemented Benefit
Plan vs. Actual



**RCRMC MONTHLY FINANCIAL UPDATE
FISCAL YEAR 2013/14 (dated 12/03/13)**

	FY11/12 Actuals	FY12/13 Actual	FY13/14 BOS Approved Budget	Updated December 4, 2013 FY13/14	FY13/14 December 3 Update to BOS Approved Budget Variance
Waiver/Realignment Revenues	165,089,149	239,798,301	226,527,928	195,342,496	(31,185,432)
Patient Revenues	203,155,468	198,716,364	184,051,098	223,122,940	39,071,842
Other Revenue	18,792,482	17,827,224	17,030,866	16,704,001	(326,865)
Total Revenue	387,037,098	456,341,889	427,609,892	435,169,437	7,559,545
Operating Expenses:					
Salaries & Wages	175,845,633	188,192,274	204,827,732	205,488,514	660,782
Employee Benefits	61,970,341	65,669,730	75,213,862	72,391,821	(2,822,041)
Supplies	28,464,881	27,160,229	30,374,058	28,295,069	(2,078,989)
Pharmaceuticals	19,095,020	44,919,044	29,500,000	38,816,250	9,316,250
Professional Services and Fees	69,664,500	72,115,639	72,375,331	73,563,850	1,188,519
Other Operating Expenses	37,698,440	45,208,960	44,933,943	44,277,703	(656,240)
Total Operating Expenses	392,738,815	443,265,875	457,224,926	462,833,207	5,608,281
Operating Income	(5,701,717)	13,076,014	(29,615,034)	(27,663,770)	1,951,264
Interest Income and Other Expense (Expense)	139,294	(21,229)	(100,000)	(100,000)	-
Depreciation and Amortization	9,523,909	9,623,432	11,185,157	13,637,229	2,452,072
EBIT	(15,086,331)	3,431,354	(40,900,191)	(41,400,999)	(500,808)
Interest	11,781,701	13,214,214	10,618,485	10,981,044	362,559
Net Income	(26,868,032)	(9,782,860)	(51,518,676)	(52,382,042)	(863,367)
Ending Cash Balance	16,545,094	(27,122,219)	(83,199,433)	(83,864,763)	(665,330)

RCRMC Monthly Cash Position

