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



FROM: Executive Office

SUBMITTAL DATE:
April 10, 2014

SUBJECT: Monthly financial and operational performance update from the Health Care Governance Committee and Riverside County Regional Medical Center.
Districts – All; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and File the monthly financial and operational performance update from the Health Care Governance Committee (HCGC) and Riverside County Regional Medical Center (RCRMC)

BACKGROUND:

Summary

As of April 2, 2014, nearly \$49 million in annual financial benefits and over \$9 million in one-time non-labor and revenue benefits have been launched at RCRMC. Launched initiatives are those that have been vetted by work teams and work steps for process improvements have been identified.

Departmental Concurrence



Lowell Johnson
Interim CEO



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 checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS:	Budget Adjustment:
	For Fiscal Year:

C.E.O. RECOMMENDATION: APPROVE
BY: 

George A. Johnson
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 9/23/13 4, 10/22/13 2-4, 11/26/13 2-12, 12/17/13 2-7, 1/28/14 2-5, 2/25/14 16-3, 3/25/14 2-2
District: All
Agenda Number:

2-3

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

FORM 11: Monthly financial and operational performance update from the Health Care Governance Committee and Riverside County Regional Medical Center Districts – All; [\$0]

DATE: April 10, 2014

PAGE: 2 of 2

Work process improvements are in place for nearly \$22 million of the \$58 million of launched activities. The cumulative benefit projection that may be realized by year-end, for Huron initiatives, improved slightly from \$13 million to \$14.6 million.

Huron, in collaboration with the Executive Office and RCRMC, is finalizing revenue cycle and cash position dashboards that should be available shortly. Additional dashboards, graphical representations of key performance indicators, are in the data analysis stage and will be included as attachments to future reports.

The monthly financial update prepared by RCRMC projects a slight improvement in the year-end cash position up from negative \$83.2 million to negative \$82 million. Also on today's agenda is a separate report from the hospital that discusses the progress of two initiatives – Treatment Authorization Request (TAR) clean up and detention patient Medi-Cal – designed to improve the year-end cash position.

In addition to the year-end cash position, RCRMC continues to monitor and evaluate budget projections and expects some improvement by FY 13/14 year-end. At the third quarter, RCRMC projects a decrease in FY 13/14 year-end revenue of approximately \$5 million. However, the hospital is beginning to see a tenuous return to structural balance as expenditures are projected to decrease by \$27 million. The largest decrease, salaries and benefits, is expected to drop from the budgeted amount of \$280 million to \$271 million. Supply costs are also expected to decrease by \$2.6 million.

Recently, the HCGC established a sub-committee to work with the Health Systems Bureau of Riverside County Information Technology (RCIT) to develop a Health Information System (HIS) strategy for departments involved in the delivery of health and human services. The HIS strategy will support and facilitate the county vision for a person centered health and human services system. An integrated HIS will in turn facilitate and lead to better information thereby enhancing planning, decision making and the efficient deployment of health and human systems resources ultimately leading to better health outcomes and a better quality of life for the residents and visitors to Riverside County.

Financial Benefit – “Big Board”

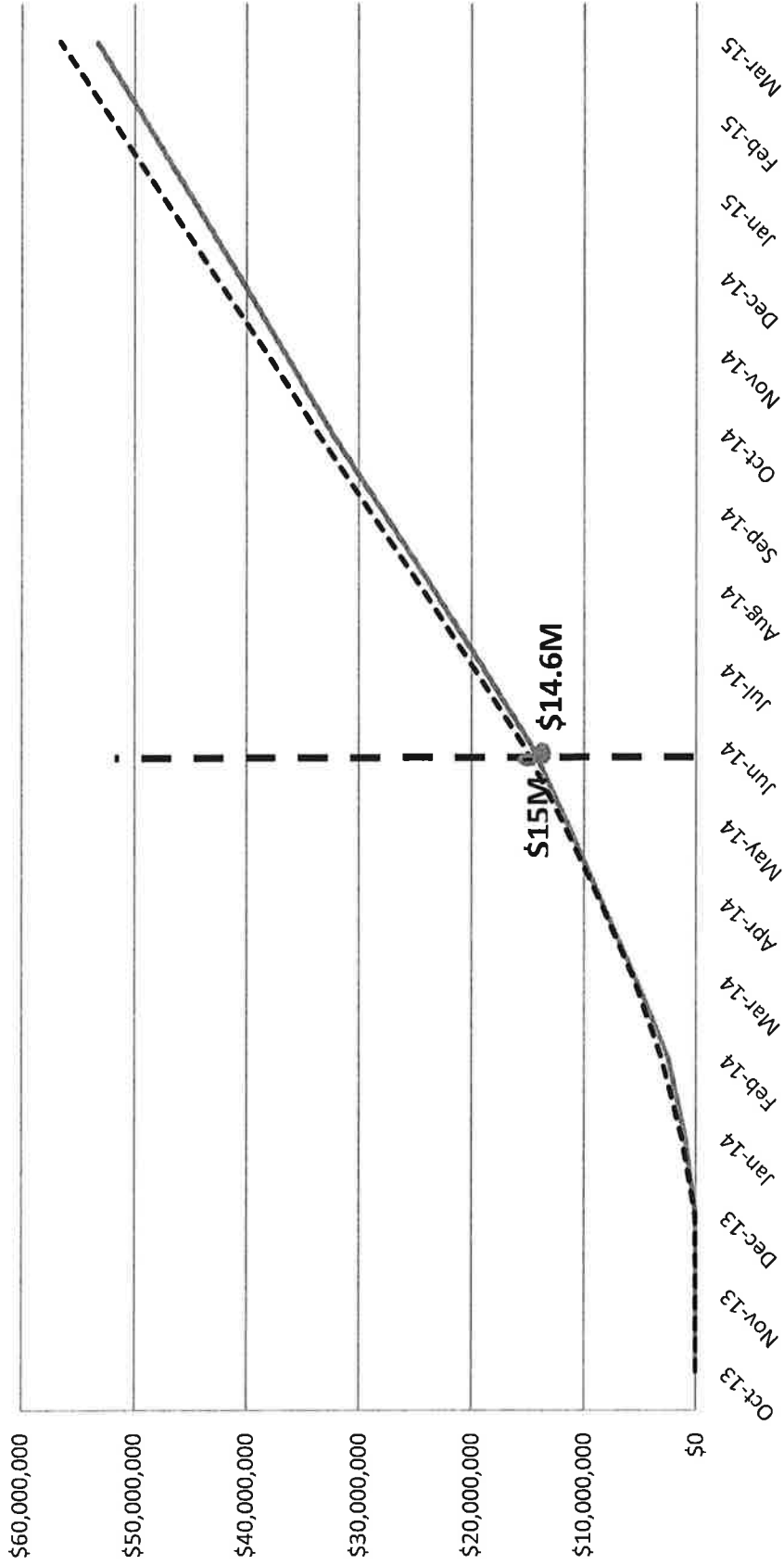


Solution	Annual Benefit			
	Low	Mid	High	Launched / Implemented
Non-Labor	\$13,185,000	\$16,630,000	\$20,075,000	\$24,358,242
Labor	\$8,948,000	\$11,017,000	\$13,086,000	\$11,652,927
HR	\$4,000,000	\$5,500,000	\$7,000,000	*\$5,340,500
Physician Solutions	\$9,600,000	\$11,300,000	\$13,000,000	\$2,642,589
Revenue Cycle	\$5,000,000	\$6,000,000	\$7,000,000	\$5,000,000
CDI	\$650,000	\$675,000	\$700,000	
Clinical Operations	\$3,600,000	\$4,400,000	\$5,200,000	
Total Recurring	\$44,983,000	\$55,522,000	\$66,061,000	\$48,994,258
Non-Labor				\$2,141,664
RC ICB	\$6,000,000	\$7,000,000	\$8,000,000	\$7,000,000
Total Benefit	\$50,983,000	\$62,522,000	\$74,061,000	\$58,135,922
				\$19,847,133
				\$195,000

*\$2M of HR Launched benefit is related to the MOU

Total Cumulative Benefit

Total Cumulative Benefit



Initial Projection
(Huron mid-range)

Total Cumulative Benefit
(Huron mid-range)

Includes One-Time Benefit

**RRCMC MONTHLY FINANCIAL UPDATE
FISCAL YEAR 2013/14**

	FY11/12 Actuals	FY12/13 Actual	FY13/14 BOS Approved Budget	FY13/14 3rd Quarter Budget	FY 13/14 Approved Budget Variance
Waiver/Realignment Revenues	165,089,149	239,798,301	226,527,928	185,452,521	(41,075,407)
Patient Revenues	203,155,468	198,716,364	184,051,098	229,987,809	45,936,711
Other Revenue	18,792,482	17,827,224	17,030,866	11,915,215	(5,115,651)
Total Revenue	387,037,098	456,341,889	427,609,892	427,355,545	(254,347)
Operating Expenses:					
Salaries & Wages	175,845,633	188,192,274	204,827,732	198,984,987	(5,842,745)
Employee Benefits	61,970,341	65,669,730	75,213,862	72,470,494	(2,743,368)
Supplies	28,464,881	27,160,229	30,374,058	27,728,142	(2,645,916)
Pharmaceuticals	19,095,020	44,919,044	29,500,000	33,322,264	3,822,264
Professional Services and Fees	69,664,500	72,115,639	72,375,331	71,546,765	(828,566)
Other Operating Expenses	37,698,440	45,208,960	44,933,943	43,645,543	(1,288,400)
Total Operating Expenses	392,738,815	443,265,875	457,224,926	447,698,195	(9,526,731)
Operating Income	(5,701,717)	13,076,014	(29,615,034)	(20,342,650)	9,272,384
Interest Income and Other Expense (Expense)	139,294	(21,229)	(100,000)	(145,312)	(45,312)
Depreciation and Amortization	9,523,909	9,623,432	11,185,157	11,647,274	462,117
EBIT	(15,086,331)	3,431,354	(40,900,191)	(32,135,235)	8,764,955
Interest	11,781,701	13,214,214	10,618,485	10,765,915	147,430
Net Income	(26,868,032)	(9,782,860)	(51,518,676)	(42,901,150)	8,617,525
Ending Cash Balance	16,545,094	(27,122,219)	(83,199,433)	(82,001,459)	1,197,974

Monthly Cash Position



	Cash Projection August 2013	Cash Projection April 2014	Change
Revenue from Patients	\$213.8	\$192.3	(\$21.5)
Supplemental Payment State	\$308.2	\$341.9	\$33.7
Other Revenue	\$24.1	\$33.0	\$8.9
TOAL CASH IN	\$546.1M	\$567.2M	\$21.1M
Expenses	(\$602.2)	(\$622.1)	(\$19.9)
Cash Beginning	(\$27.1)	(\$27.1)	-
Cash Change from Operations	(\$56.1)	(\$54.9)	\$1.2
Cash June 30, 2014	(\$83.2)	(\$82.0)	\$1.2

Daily Cash Position

