

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

407



FROM: Riverside University Medical Center

SUBMITTAL DATE:
June 4, 2015

SUBJECT: Approval of additional Fiscal Year 14/15 appropriations for pharmacy medication purchases and hospital nurse registry contract expenditures [District 5; \$9,500,000; Hospital Enterprise Funds] 40050

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and direct that the Auditor Controller make the budget adjustments included in this document as Attachment A.

BACKGROUND:

Summary

In October 2014, RUMC Pharmacy began a pharmacist managed and staffed Hepatitis C clinic that has proved to be both beneficial to patients and profitable to the hospital. In the summer of 2014, RUMC entered into an agreement with the Inland Empire Health Plan (IEHP) to be a Center of Excellence for the


 Zareh Sarrafian
 Hospital CEO

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA
 COUNTY AUDITOR-CONTROLLER
 Departmental Concurrence
 Hisley Wang

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 9,500,000	\$	\$ 9,500,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Hospital Enterprise Funds 40050

Budget Adjustment: Yes
For Fiscal Year: 14/15

C.E.O. RECOMMENDATION: APPROVE

BY: 
 County Executive Office Signature Christopher M. Hans

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: _____ District: 5 Agenda Number: _____

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BACKGROUND:

Summary (continued)

Treatment of Hepatitis C using newly released drugs. We also accept patients who have Medi-Cal and Molina coverage. These new drugs show great promise in eradicating the virus but are quite costly. The course of therapy is between 8 and 20 weeks and usually results in no detectable virus.

Because of the program's success, it has grown faster than was expected when this year's budget was submitted to the Board.

We now project that the cost from November 2014 thru the end of this fiscal year will be approximately \$7 million. This additional cost is covered by the \$8.7 million in new revenue that will be received for the program.

We, therefore, request that \$7 million be added to cover the costs of the Hepatitis C program, along with the new revenues that will be generated.

Of additional concern is the hospital's nurse registry budget. Nurse registry costs were \$10.3 million last year and will be reduced to \$7.6 million, a decrease of more than 25 percent this year. While these are excellent results, the original FY14/15 budget of \$5.1 million has turned out to be too aggressive. There will be additional patient revenue to compensate for this additional cost.

We, therefore, request that \$2.5 million be added to cover the additional nurse registry expenditures, along with the additional patient revenues that will offset the cost.

Impact on Citizens and Businesses

This service impacts the patients residing in Riverside County receiving care from Riverside University Medical Center. The requested adjustments allow the hospital to continue to provide essential services with no negative impact on the budget.

Budget Adjustment – Attachment A

Increase Revenue Estimate:

<u>Fund No.</u>	<u>Dept ID</u>	<u>Account Description</u>	<u>Amount</u>
40050	4300100000	776435 Traditional Medi-Cal	\$ 800,000
40050	4300100000	776350 Drugs Sold to Non Patients	<u>\$8,700,000</u>
		Total	<u>\$9,500,000</u>

Increase Expense Appropriations:

<u>Fund No.</u>	<u>Dept ID</u>	<u>Account Description</u>	<u>Amount</u>
40050	4300100000	522890 Pharmaceuticals	\$7,000,000
40050	4300100000	525620 Temp Nurse Registry	<u>\$2,500,000</u>
		Total	<u>\$9,500,000</u>