

**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**

On motion of Supervisor Jeffries, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Stone, Benoit and Ashley  
Nays: None  
Absent: Tavaglione  
Date: December 17, 2013  
xc: EO

Kecia Harper-Ihem  
Clerk of the Board  
By: *[Signature]*  
Deputy

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

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

**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.

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Health Care Governance Committee (HCGC) update, and Riverside County Regional Medical Center (RCRMC) monthly financial and operational performance update**

**DATE:** December 5, 2013

**PAGE:** 3 of 3

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 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.

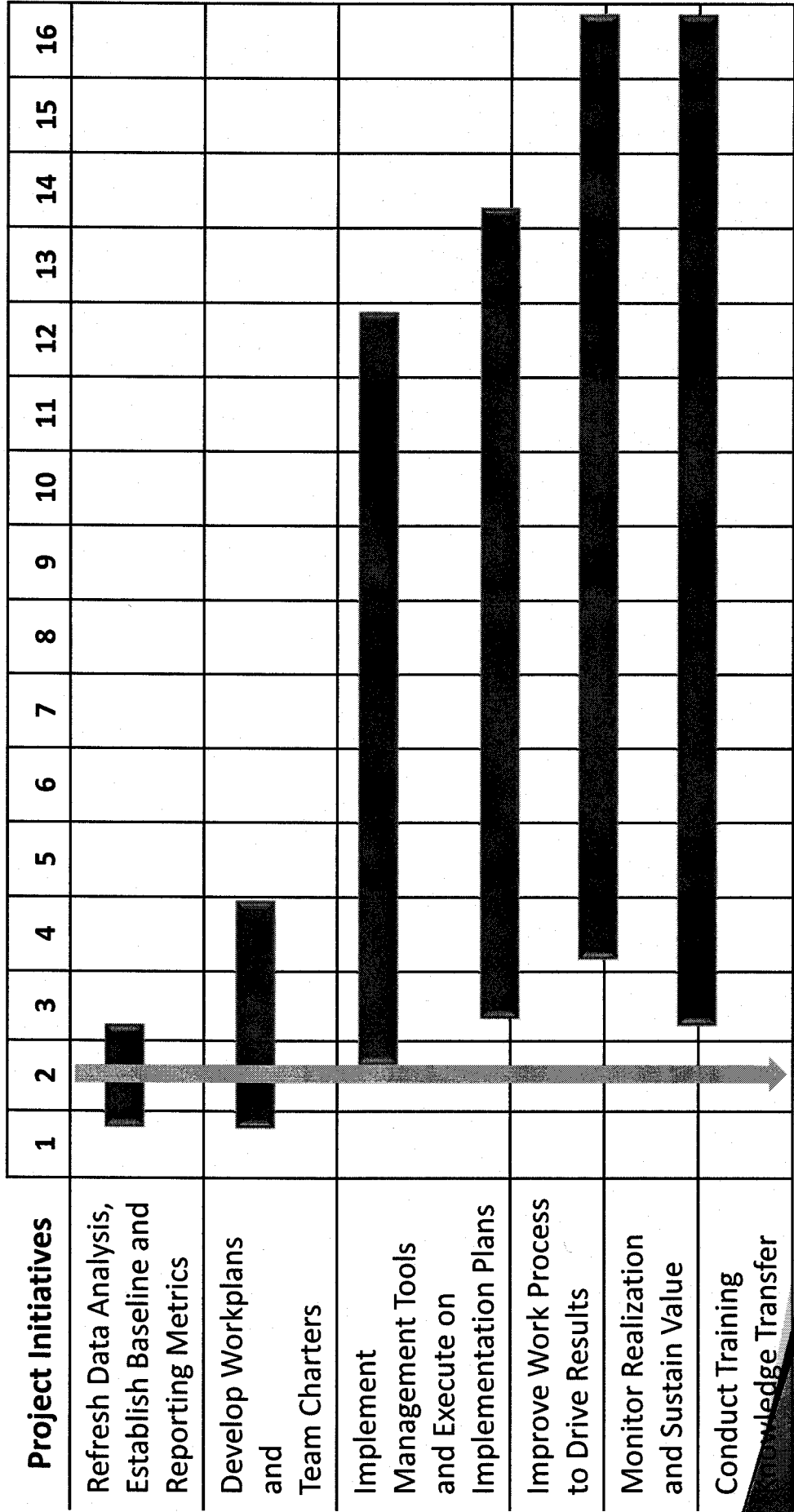
**Impact on Residents and Businesses**

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

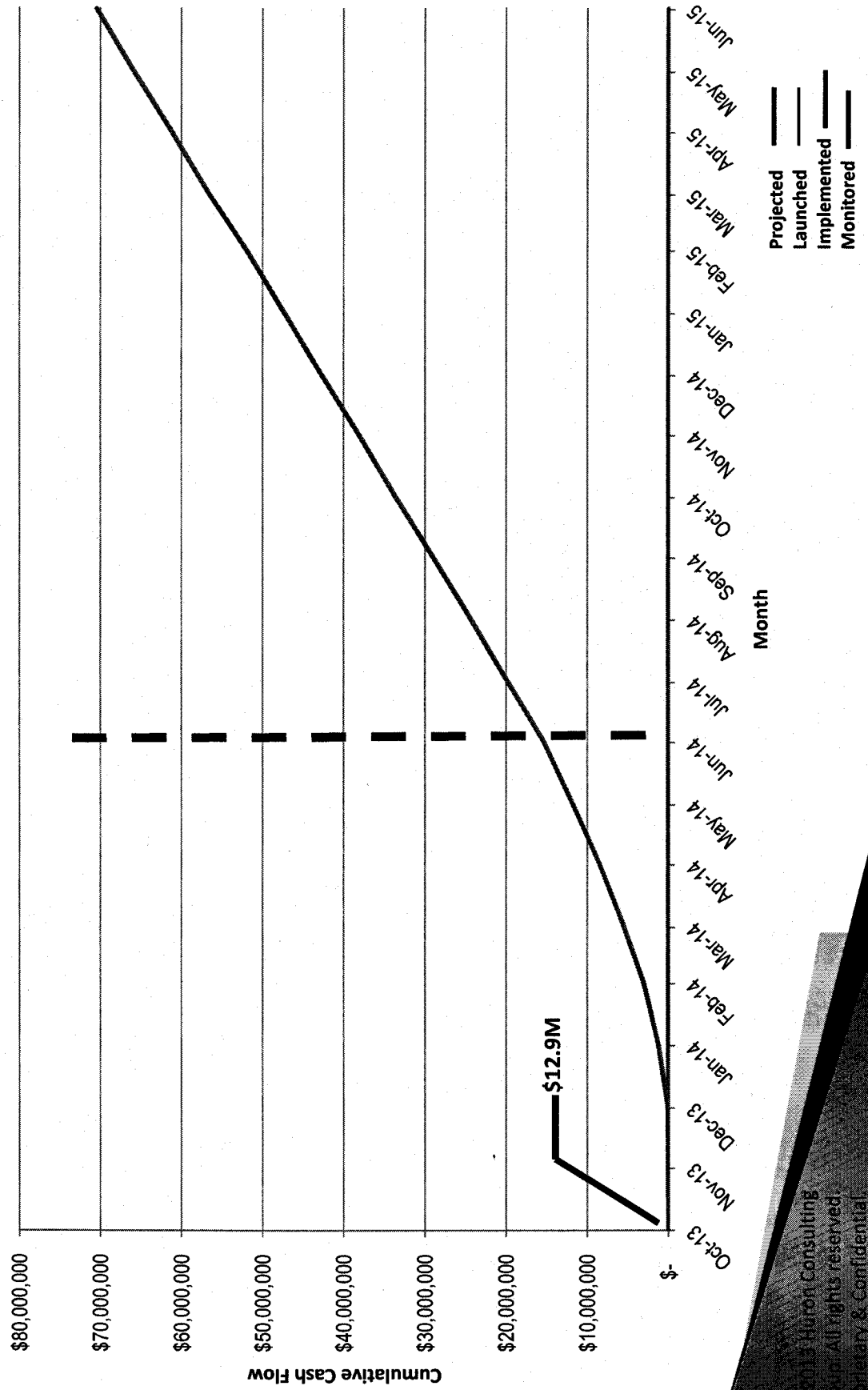


We are here

# Benefit Projection



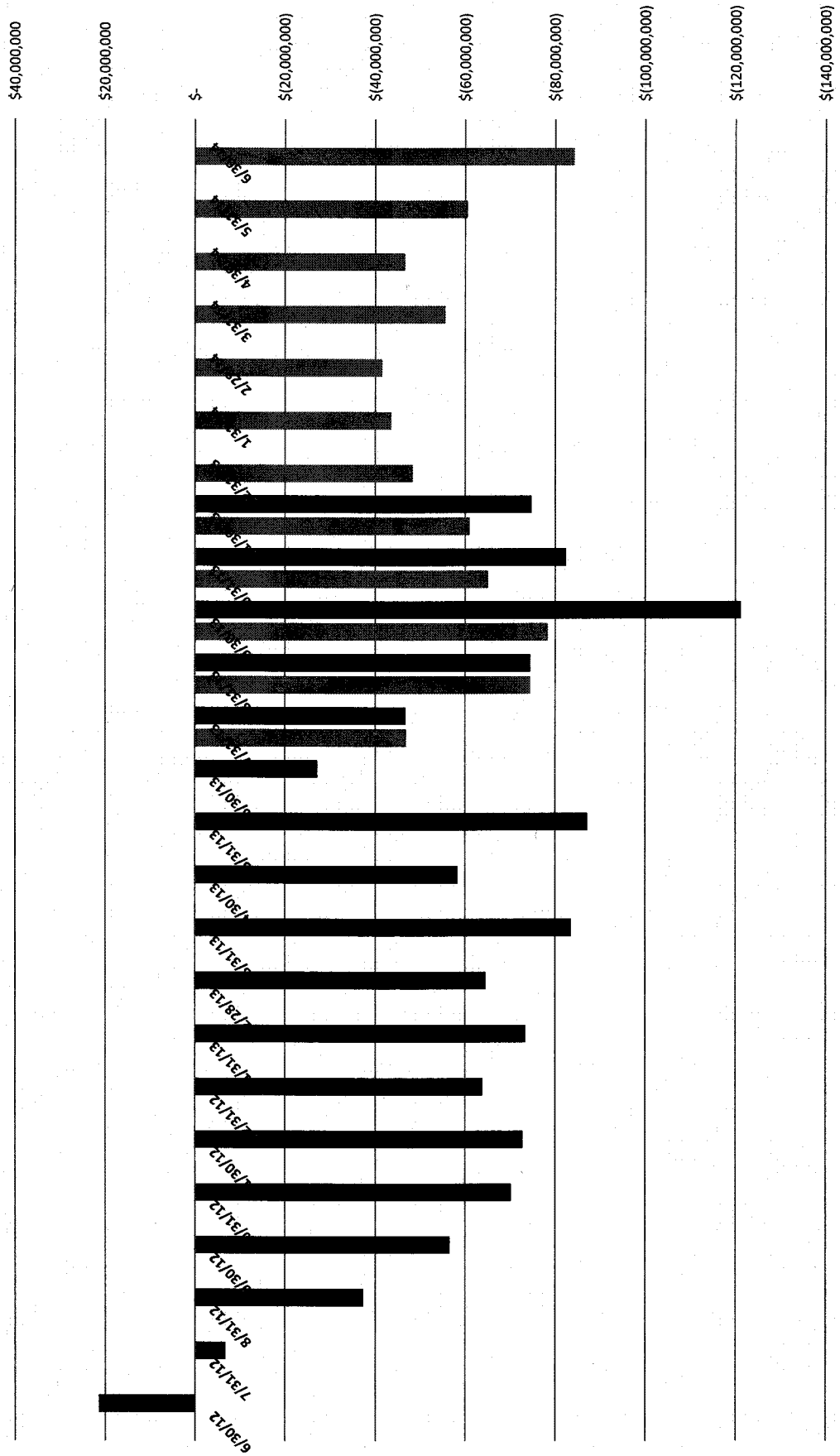
Cumulative Annualized Implemented Benefit  
Plan vs. Actual



**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
<b>Waiver/Realignment Revenues</b>	165,089,149	239,798,301	226,527,928	195,342,496	(31,185,432)
<b>Patient Revenues</b>	203,155,468	198,716,364	184,051,098	223,122,940	39,071,842
<b>Other Revenue</b>	18,792,482	17,827,224	17,030,866	16,704,001	(326,865)
<b>Total Revenue</b>	387,037,098	456,341,889	427,609,892	435,169,437	7,559,545
<b>Operating Expenses:</b>					
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)
<b>Total Operating Expenses</b>	392,738,815	443,265,875	457,224,926	462,833,207	5,608,281
<b>Operating Income</b>	(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
<b>EBIT</b>	(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
<b>Net Income</b>	(26,868,032)	(9,782,860)	(51,518,676)	(52,382,042)	(863,367)
<b>Ending Cash Balance</b>	16,545,094	(27,122,219)	(83,199,433)	(83,864,763)	(665,330)

# RCRMC Monthly Cash Position



■ Actual      ■ Projected

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
to Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** GARRY GRANT

**Address:** \_\_\_\_\_  
(only if follow-up mail response requested)

**City:** PARIS **Zip:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**Date:** DEC 17<sup>TH</sup> 03 **Agenda #** 2-7

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

\_\_\_\_\_ **Support**     **Oppose**    \_\_\_\_\_ **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

\_\_\_\_\_ **Support**    \_\_\_\_\_ **Oppose**    \_\_\_\_\_ **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_



## **BOARD RULES**

### **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

### **Requests to Address Board on items that are "NOT" on the Agenda:**

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

### **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

### **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

### **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

### **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.