

909

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



**FROM:** Executive Office and RCRMC

**SUBMITTAL DATE:**  
January 2, 2014

**SUBJECT:** Adoption of Final Resolution for Determining Payments to the Family Support Subaccount, redirecting 1991 Health Realignment Funds

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt the Final Resolution for Determining Payments to the Family Support Subaccount; and,
2. Authorize the Chairman to sign the Final Resolution.


**BACKGROUND:**

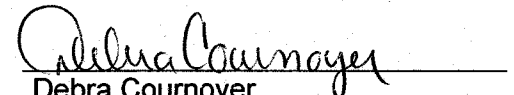
**Summary**

On October 22, 2013, item 2-24, the Board of Supervisors authorized the County Executive Officer to sign and submit the notice of the County's tentative decision to select the Savings Formula option to the state by November 1, 2013, for the redirection of 1991 Health Realignment funds. Furthermore, as required by Section 17600.50(c) of the Welfare and Institutions (W&I) Code, counties must adopt a resolution with a final decision by January 22, 2014.

Departmental Concurrence

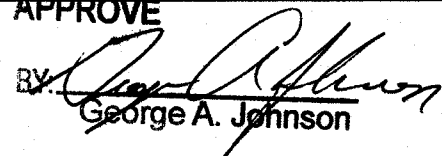
COUNTY COUNSEL  
DAVE  
1/7/14

  
Lowell Johnson  
Interim Hospital 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 type="checkbox"/> Policy X
NET COUNTY COST	\$	\$	\$	\$	

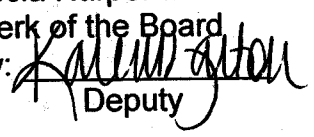
**SOURCE OF FUNDS:** \_\_\_\_\_ Budget Adjustment: \_\_\_\_\_  
 For Fiscal Year: \_\_\_\_\_

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

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Stone, Benoit and Ashley  
 Nays: None  
 Absent: Tavaglione  
 Date: January 14, 2014  
 xc: EO, RCRMC

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

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

Prev. Agn. Ref.: 10/22/2013 2-24      District: All      Agenda Number:

3-5

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11: Adoption of Final Resolution for Determining Payments to the Family Support Subaccount,**  
**redirecting 1991 Health Realignment Funds**

**DATE:** January 2, 2014

**PAGE:** 2 of 4

**BACKGROUND:**

**Summary (continued)**

Assembly Bill 85 was approved by the Governor on June 27, 2013 and redirects \$300 million of 1991 Health Realignment revenues statewide for FY 13/14. Redirection will begin in January of 2014 and be spread over six months. The County's share of the redirected funds for January through June 2014 is estimated at \$8.9 million. Going forward, the annual redirection will be determined based on the County's selected option. Counties had until October 31, 2013 to tentatively decide between Option 1, the 60/40 split, and Option 2, the Savings Formula and must now inform the State of the final determination.

The 60/40 option is fairly straightforward, with counties forgoing 60 percent of their current Vehicle License Fee (VLF) realignment funds. The hospital savings option includes a process for measuring county costs and savings with a "true up" between the state and the county at the end of five years. Previously, a model developed by California Association of Public Hospitals (CAPH), Table 1, was used to compare the two options. Since then, RCRMC has updated the projections and prepared the two scenarios shown in Table 2 and Table 3. Table 2 incorporates estimated savings resulting for the implementation of Huron programs; as well as maintaining the current 31,000 Low Income Health Program (LIHP) members as they transition to MediCal in 2014. Table 3 also incorporates Huron program savings, but estimates that enrollment will increase significantly under MediCal, from the current 31,000 to 51,000. Graphs 1 and 2 provide a visual comparison of the information presented in Tables 2 and 3. The amounts estimated for the hospital savings option are subject to change and reconciliation to actuals, as well as final approval by the State. However, based on information available at this time, RCRMC and the Executive Office recommend adoption of the Savings Formula as the most advantageous to the County under either scenario.

**Table 1**  
**Initial CAPH Model**

<b>Fiscal Year</b>	<b>Estimated Cost</b>	<b>Estimated Net Gain (Loss)</b>	<b>Hospital Formula</b>	<b>60/40</b>
14/15	\$357.59 M	\$8.77 M	\$7.01 M	\$31.74 M
15/16	\$375.30 M	\$2.40 M	\$1.92 M	\$32.50 M
16/17	\$394.75 M	\$(11.86) M	\$ 0.00	\$33.28 M
17/18	\$414.14 M	\$(20.58) M	\$ 0.00	\$34.08 M
<b>TOTAL</b>			<b>\$8.93 M</b>	<b>\$131.60M</b>

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**FORM 11: Adoption of Final Resolution for Determining Payments to the Family Support Subaccount,**  
 redirecting 1991 Health Realignment Funds

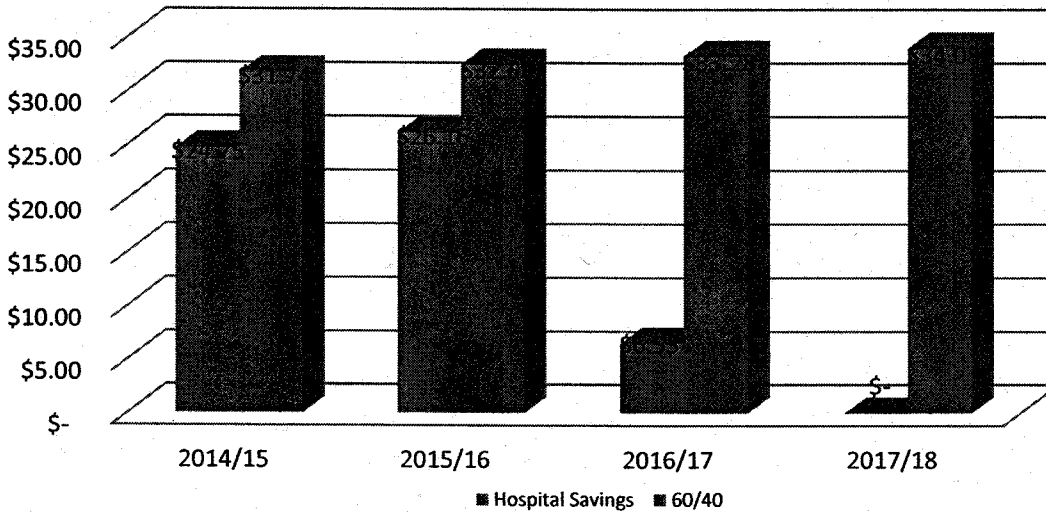
**DATE:** January 2, 2014

**PAGE:** 3 of 4

**Table 2**  
**RCRMC Update Current Enrollment Scenario**

<b>Fiscal Year</b>	<b>Estimated Cost</b>	<b>Estimated Net Gain (Loss)</b>	<b>Hospital Formula</b>	<b>60/40</b>
<b>14/15</b>	\$354.44 M	\$30.94 M	\$24.75 M	\$31.74 M
<b>15/16</b>	\$346.32 M	\$32.70 M	\$26.16 M	\$32.50 M
<b>16/17</b>	\$359.48 M	\$8.16 M	\$ 6.53 M	\$33.28 M
<b>17/18</b>	\$370.88 M	\$(12.40) M	\$ 0.00	\$34.08 M
<b>TOTAL</b>			<b>\$57.44 M</b>	<b>\$131.60M</b>

**Graph 1**  
**Current Enrollment Scenario**  
 In Millions



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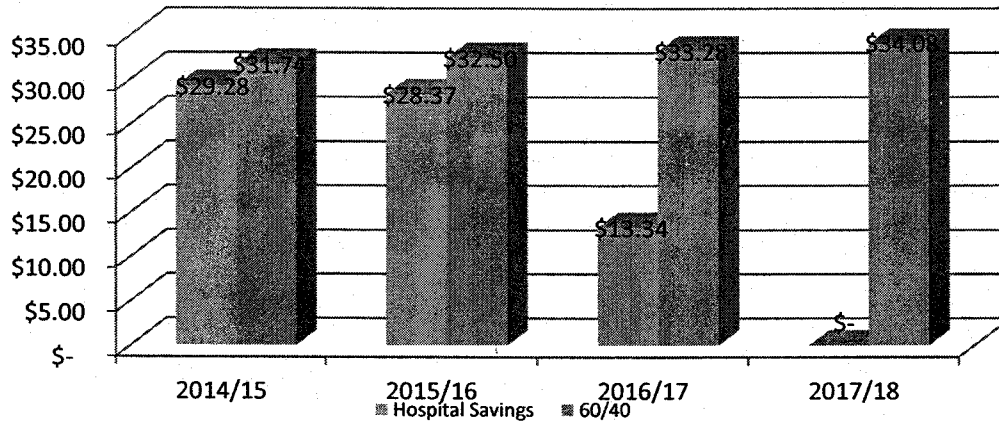
**DATE:** January 2, 2014

**PAGE:** 4 of 4

**Table 3**  
**RCRMC update Increased Enrollment Scenario**

<b>Fiscal Year</b>	<b>Estimated Cost</b>	<b>Estimated Net Gain (Loss)</b>	<b>Hospital Formula</b>	<b>60/40</b>
14/15	\$408.92 M	\$36.60 M	\$29.28 M	\$31.74 M
15/16	\$404.33 M	\$35.46 M	\$28.37 M	\$32.50 M
16/17	\$411.83 M	\$16.68 M	\$ 13.34 M	\$33.28 M
17/18	\$419.87 M	\$(8.03) M	\$ 0.00	\$34.08 M
<b>TOTAL</b>			<b>\$70.99 M</b>	<b>\$131.60M</b>

**Graph 2**  
**Increased Enrollment Scenario**





TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

**Final Resolution for Determining Payments to the Family Support Subaccount**

In compliance with Section 17600.50(c) of the Welfare and Institutions code, Public Hospital Health System Counties (which include, Alameda, Contra Costa, Kern, Los Angeles, Monterey, Riverside, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, and Ventura) must adopt a resolution by January 22, 2014 informing the Department of Health Care Services of the County's final decision to choose either the County Savings Determination Process or the 60/40 formula option.

Riverside County chooses the option selected below  
County Name

to determine payments to the Family Support Subaccount:

**County Savings Determination Process** - The formula pursuant to Welfare and Institutions (W&I) Code, Section 17612.1. The county acknowledges that upon choosing this option, this determination method is final and not subject to change.

OR

**60/40 formula** - 60 percent of the 1991 health realignment funds that otherwise would have been allocated to the counties and 60 percent of the county maintenance of effort, pursuant to W&I Code, Section 17600.50(c)(2). The county acknowledges that upon choosing this option, this determination method is final. However the County has a one-time option to submit a petition to the County Health Care Funding Resolution Committee pursuant to W&I Code, Sections 17600.60(d) to later pursue the County Savings Determination Process.

I hereby certify, under penalty of perjury, that I am the official responsible for informing the State of the above option in said county for determining its payments to the Family Support Subaccount.

Jeff Stone  
County Official (Signature)  
**JEFF STONE**  
**CHAIRMAN, BOARD OF SUPERVISORS**  
County Official Title

Date 1/14/14

ATTEST:  
KECIA HARPER-JHEM, Clerk  
By [Signature]  
DEPUTY

APPROVED COUNTY COUNCIL  
DATE 1/17/14  
BY [Signature]