

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

946



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
April 02, 2014

SUBJECT: Riverside County Regional Medical Center Bi-weekly Update on TAR and Inmate Funding District 5 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:
Receive and file this report, including attachments, on Treatment Authorization Request (TAR) cases, and funding of detention health hospital patients.

BACKGROUND:

Summary

On March 25, 2014 the Board of Supervisors directed that hospital staff report back every two weeks on the key issues of TAR case processing and Medi-Cal funding for patients needing medical care. This is the first report in the series. Additionally, hospital staff is including in this report a brief description of two positive events, offered as evidence that the situation is beginning to turn for the better.

(continued on the next page)

Lowell Johnson
Interim CEO, RCRMC

Departmental Concurrence

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ N/A	\$	\$	\$	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	
SOURCE OF FUNDS: N/A				Budget Adjustment: None	
				For Fiscal Year: 13-14	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, 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: April 8, 2014
xc: RCRMC

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

Prev. Agn. Ref.:

District: 5

Agenda Number:

2-16

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

FORM 11: Riverside County Regional Medical Center Bi-weekly Update on TAR and Inmate Funding

DATE: April 02, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

In the past, hospital staff has had modest success getting approximately 10 percent of inmates qualified for Medicare or Medi-Cal insurance. This left the majority of the \$12 million annual cost covered by the general fund, AB109, and the hospital. The Affordable Care Act offers an expanded opportunity, so that our expectation now is that 90 percent or more of inmates will qualify. Unfortunately, though the state is cooperating in getting inmates enrolled, they are initially denying many of our common services.

Attached (see Attachment A) is a summary of the current status on this initiative. The estimated new revenue is \$2.5 million per year, which is well below the hoped for \$9 million per year. Denied classes of charges include all inpatient psychiatric treatment, and clinic visits within the jails. We plan to continue discussions with the state; in particular, the Director of Mental Health, Jerry Wengerd, has offered his expertise toward making progress on getting at least half of our psychiatric costs reimbursed. Additionally, we continue to pursue an initiative to qualify jail clinics and the Arlington campus for 340B drug pricing.

On March 25, 2014 (item 3-10), the Board approved a plan to restructure the hospital's Case Management division which would include the cleanup of a sizable backlog of TAR cases. Attached (see Attachment B) is a summary of the current TAR backlog, which together represents an expected cash reimbursement of nearly \$10 million. At the end of her first week on the job, the new director of case management presented a reasonable plan to process these 782 accounts by the end of May, without falling behind on the new cases that present daily. This aggressive approach could result in the hospital receiving all the cash this fiscal year. No new permanent staff or contract employees will be used. Some county TAP workers will be needed to help process the charts.

This past week RCRMC rolled out its Siemens electronic medical records system. After six years of planning and design, the first three days post go live have been largely uneventful. It is our hope that patients will notice little during the transition and will begin to reap the benefits. Benefits will include faster and more accurate scheduling, more accurate transmission of doctor orders including prescription fills, faster access to patient records, and a patient portal where patient information will be available on line. Credit for the smooth start should go to the dedicated hospital staff who volunteered for extra training so they could be "super users" that walked our halls answering questions.

Also this past week, hospital staff and our electronic medical records system partner, Siemens, completed negotiations to update our existing service contract. Siemens demonstrated their long term commitment to Riverside County by agreeing to substantial enhancements totaling more than \$1.5 million in yearly cash. In addition to a one-time cash credit of well over \$500,000 our monthly bill will be cut by \$137,000 for the life of the contract.

Impact on Residents and Businesses

Hospital efforts to clear the backlog of TAR cases, and increase Medi-Cal funding for patients needing medical care will increase cash payments. These improvements are designed to improve efficiency and add revenue, both of which are an important part of the hospital's plan to eliminate its existing deficit. A county hospital on a solid financial footing will be better placed to focus on patient care and plan for programs to increase the health of all county residents.

Revenue Cycle

Jail – Medi-Cal Eligibility Project



Eligibility: under Statute AB720, the following Medi-Cal guidelines apply to jail patients who qualify for Medi-Cal

Covered Services

- ▶ Pre-Inmate Booking
- ▶ Active Medi-Cal: All services eligible
- ▶ Post-Inmate Booking
- ▶ Adult: IP Acute services
- ▶ Juvenile: IP Acute and Psych services

Non-Covered Services

- ▶ Pre-Inmate Booking
- ▶ No Active Medi-Cal: No services eligible
- ▶ Post-Inmate Booking
- ▶ Adult: All OP services (incl. Diagnostic)
- ▶ Juvenile: All OP services (incl. Diagnostic)

Reimbursement Opportunity:

- ▶ One-Time: \$900K - \$1M
- ▶ Recurring: \$2M - \$2.5M annualized

One-Time Opportunity		09/01/2012 - 01/01/2014			01/01/2014 – 02/28/2014		
Billable Status	Status Reason	Volume	Total Charges	Expected Reimbursement	Volume	Total Charges	Expected Reimbursement
Billable	Eligible ¹	59	\$ 2,186,787	\$ 534,353	18	\$ 1,487,754	\$ 387,515
Unbillable	Not Eligible ²	307	\$ 14,193,763	-	51	\$ 2,223,670	-
	Other ³	5,719	\$ 45,158,322	-	487	\$ 2,891,017	-
Total		6,085	\$ 61,538,872	\$ 534,353	556	\$ 6,602,441	\$ 387,515

1. 'Eligible' includes patients eligible for Medi-Cal or Medi-Cal Managed Care coverage

2. 'Not Eligible' includes patients not eligible for Medi-Cal, and accts for which no eligibility check was performed due to lack of SSN

3. 'Other' includes non-covered services (OP & PSY), non-covered aid codes, accounts past timely-filing, and patients eligible for RCHC

**TAR IQ SUMMARY
3/31/2014**

PEND CASES / DAYS BY FISCAL YEAR	NO. OF ACCTS	NO. OF DAYS
FY 10/11	1	9
FY 11/12	14	94
FY 12/13	63	588
FY 13/14	594	4812

ACCT STATUS	FC	NO. OF ACCTS	NO. OF DAYS	ACCT BALANCE
DISCHARGES PENDING CM REVIEW	C	643	5094	\$ 54,655,468.42
INHOUSE PENDING CM REVIEW	C	20	331	\$ 3,301,078.00
DISCHARGES PENDING CM APPEAL REVIEW	C	9	78	\$ 106,414.00
TOTAL:		672	5503	\$ 58,062,960.42

NOTE: DISCHARGES PRIOR TO 01/01/13 REQUIRES PAPER TAR SUBMISSION TO STATE FOR FINAL ADJUDICATION

PAPER CASES 36
TAR FREE CASES 636

CM INITIAL REVIEW COMPLETED - ADJUDICATION PENDING MEDI-CAL REVIEW / RESPONSE	NO. OF ACCTS	NO. OF DAYS	ACCT BALANCE
APPEAL PENDING MEDI-CAL REVIEW	C 89	561	\$ 3,038,333.00
RETRO TAR PENDING MEDI-CAL REVIEW	C 21	204	\$ 332,968.00
TOTAL:	110	765	\$ 3,371,301.00

GRAND TOTAL	782	6268	\$ 61,434,261.42
EXPECTED REIMBURSEMENT:			\$ 9,858,426.00

IP MEDI-CAL DAYS FY 13/14	21322
IP MEDI-CAL DAYS FY 12/13	31875

TOTALS INCLUDES OB CERT DAYS