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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]

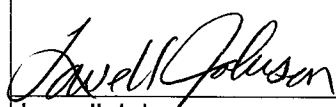
**RECOMMENDED MOTION:** That the Board of Supervisors:  
1. Receive and File the monthly financial and operational performance update from the Health Care Governance Committee (HCGC) and Riverside County Regional Medical Center (RCRMC)

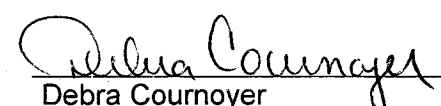
**BACKGROUND:**

**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.

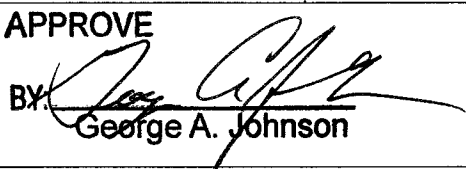
Departmental Concurrence

  
\_\_\_\_\_  
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	\$	\$	\$	\$	

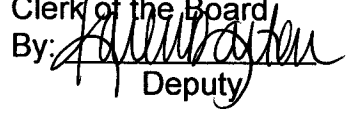
**SOURCE OF FUNDS:** \_\_\_\_\_  
Budget Adjustment: \_\_\_\_\_  
For Fiscal Year: \_\_\_\_\_

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

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: April 22, 2014  
xc: E.O.

Kecia Harper-Ihem  
Clerk of the Board  
By:   
\_\_\_\_\_  
Deputy

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

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”



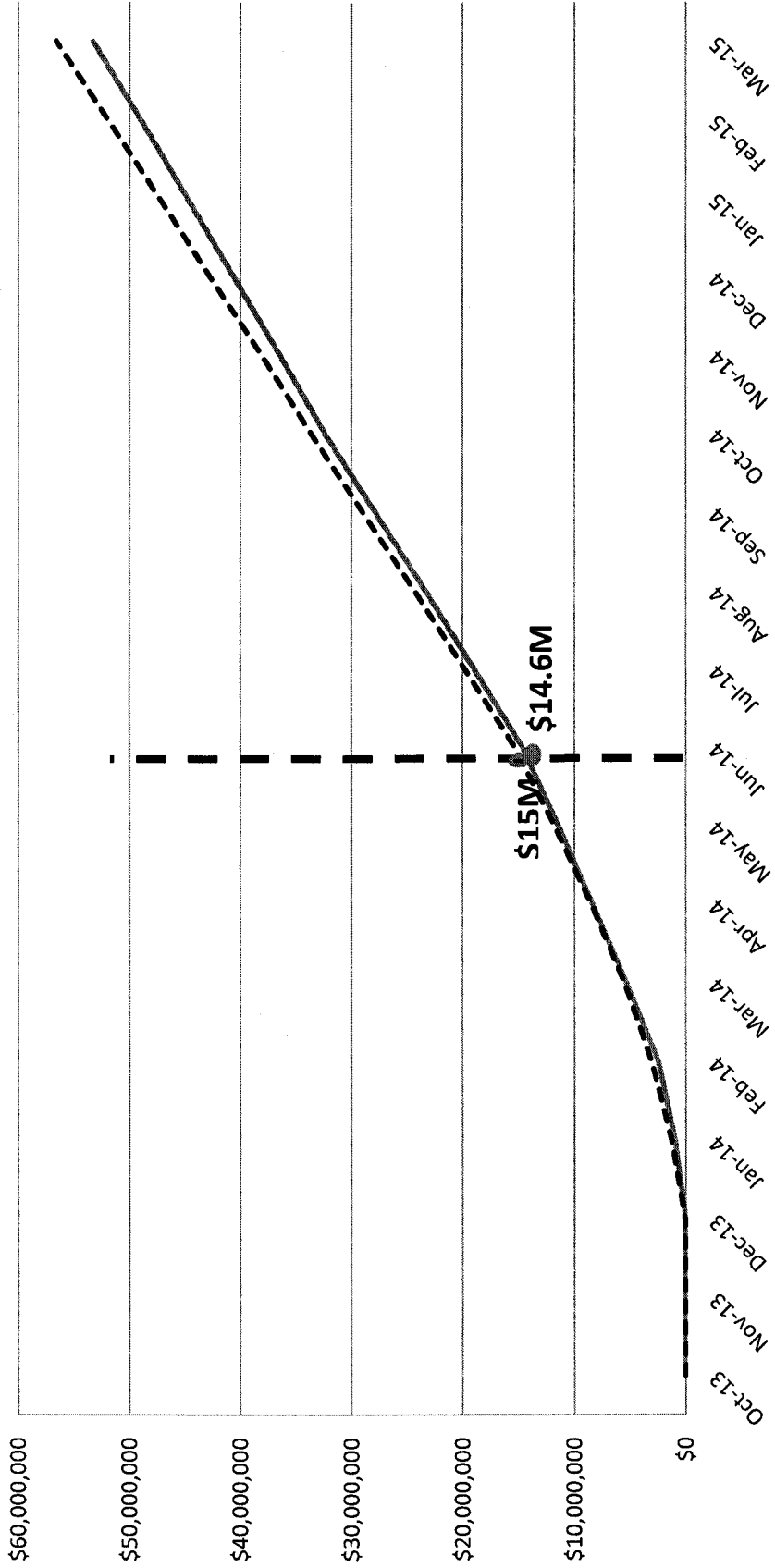
Solution	Annual Benefit			
	Low	Mid	High	Implemented
Non-Labor	\$13,185,000	\$16,630,000	\$20,075,000	\$24,358,242
Labor	\$8,948,000	\$11,017,000	\$13,086,000	\$11,652,927
HR	\$4,000,000	\$5,500,000	\$7,000,000	*\$5,340,500
Physician Solutions	\$9,600,000	\$11,300,000	\$13,000,000	\$2,642,589
Revenue 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	
<b>Total Recurring</b>	<b>\$44,983,000</b>	<b>\$55,522,000</b>	<b>\$66,061,000</b>	<b>\$48,994,258</b>
Non-Labor				\$2,141,664
RC ICB	\$6,000,000	\$7,000,000	\$8,000,000	\$7,000,000
<b>Total Benefit</b>	<b>\$50,983,000</b>	<b>\$62,522,000</b>	<b>\$74,061,000</b>	<b>\$58,135,922</b>
				<b>\$21,501,164</b>

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

# Total Cumulative Benefit



## Total Cumulative Benefit



• Includes One-Time Benefit

Total Cumulative Benefit (Huron mid-range)

Initial Projection (Huron mid-range)

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

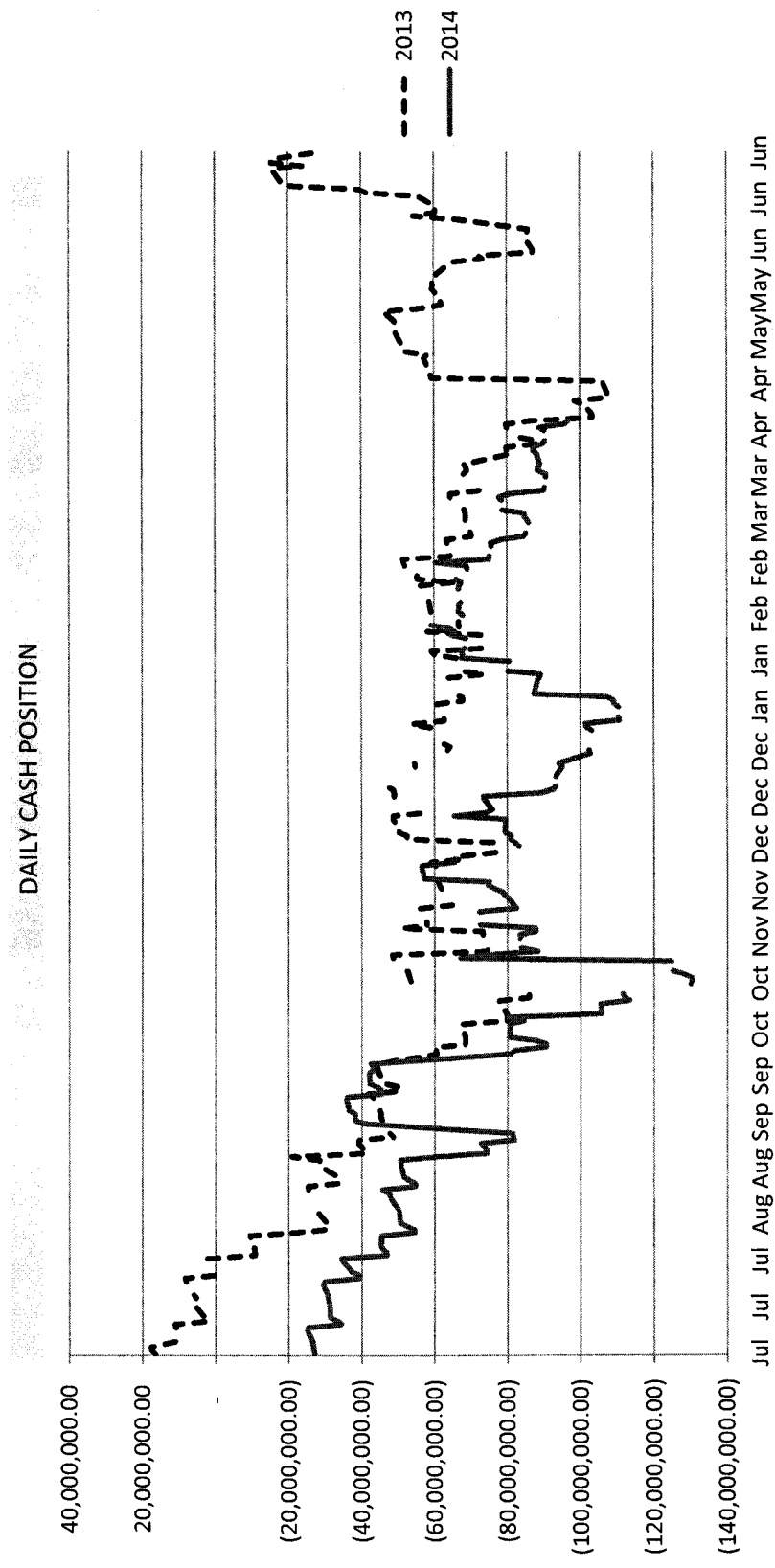
	FY11/12 Actuals	FY12/13 Actual	FY13/14 BOS Approved Budget	FY13/14 3rd Quarter Budget	FY 13/14 Approved Budget Variance
<b>Waiver/Realignment Revenues</b>	165,089,149	239,798,301	226,527,928	185,452,521	(41,075,407)
<b>Patient Revenues</b>	203,155,468	198,716,364	184,051,098	229,987,809	45,936,711
<b>Other Revenue</b>	<u>18,792,482</u>	<u>17,827,224</u>	<u>17,030,866</u>	<u>11,915,215</u>	<u>(5,115,651)</u>
<b>Total Revenue</b>	<b>387,037,098</b>	<b>456,341,889</b>	<b>427,609,892</b>	<b>427,355,545</b>	<b>(254,347)</b>
<b>Operating Expenses:</b>					
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)
<b>Total Operating Expenses</b>	<u><b>392,738,815</b></u>	<u><b>443,265,875</b></u>	<u><b>457,224,926</b></u>	<u><b>447,698,195</b></u>	<u><b>(9,526,731)</b></u>
<b>Operating Income</b>	<b>(5,701,717)</b>	<b>13,076,014</b>	<b>(29,615,034)</b>	<b>(20,342,650)</b>	<b>9,272,384</b>
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
<b>EBIT</b>	<b>(15,086,331)</b>	<b>3,431,354</b>	<b>(40,900,191)</b>	<b>(32,135,235)</b>	<b>8,764,955</b>
Interest	11,781,701	13,214,214	10,618,485	10,765,915	147,430
<b>Net Income</b>	<b>(26,868,032)</b>	<b>(9,782,860)</b>	<b>(51,518,676)</b>	<b>(42,901,150)</b>	<b>8,617,525</b>
<b>Ending Cash Balance</b>	<b>16,545,094</b>	<b>(27,122,219)</b>	<b>(83,199,433)</b>	<b>(82,001,459)</b>	<b>1,197,974</b>

# 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
<b>TOAL CASH IN</b>	<b>\$546.1M</b>	<b>\$567.2M</b>	<b>\$21.1M</b>
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



**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:** Paul Jacobs

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

**City:** Temecula **Zip:** \_\_\_\_\_

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

**Date:** 4/22/14 **Agenda #** 2-3

**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.