

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



9:00 a.m. being the time set for the continuance of Fiscal Year 2014-2015
Budget Hearings.

RIVERSIDE COUNTY REGIONAL MEDICAL CENTER (RCRMC)

Lowell Johnson presented the matter.

The chairman closed the public hearing.

On Motion of Supervisor Tavaglione, seconded by Supervisor Benoit and duly
carried by unanimous vote, IT WAS ORDERED that the above matter is continued to
September 23, 2014, for final adoption.

I hereby certify that the foregoing is a full true, and correct copy of an order made and
entered on September 9, 2014 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: September 9, 2014
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

(seal)

By: Cecil Boyd Deputy

xc:



ReinVesting
-in- OUR FUTURE

Lowell Johnson, CEO
September 8, 2014

**RCRMC 2014/2015
Budget Update and
Performance Improvement
10 Month Report**

RCRMC was in financial distress during Fiscal 2013/2014:

- 1 – Cash losses were approximately \$1million per week in November.
- 2 – Total Cash owed to Riverside County Treasury was \$85 million in January.
- 3 – Total Cash owed June 30 was down to \$40 million.

2014 / 2015 RCRMC Budget is Balanced !

- 1 – Expected expenditures equal \$435 million.
Huron initiated performance improvements in labor and non-labor costs exceed \$51 million.
- 2 – Expected revenue also equals \$435 million.
Monthly cash collections are running over \$20 million; up from \$14 million in November.
Huron initiated revenue cycle is responsible for this improvement.

Challenges facing RCRMC as we enter 2014/2015:

- 1 – Revenue is extremely dependent on Government subsidies (\$200 million in 2014/2015); and improved payor mix.
- 2 – Recent court action on prisoner health likely increases our hospital's need to serve.
- 3 – Mental Health care is a developing issue.

Challenges facing RCRMC as we enter 2014/2015 (cont.):

- 4 –Our clinics need to improve their patient care throughput.
- 5 –Critical equipment faces end of life issues at RCRMC. We will come to the Board with a request to invest \$10 million in critical equipment replacement during 2014/2015.
- 6 –RCRMC needs to hire a permanent hospital CEO and CFO.

Fun Fact:

- ▶ Suppose I came before you today and you did not know who I am.
- ▶ I might say, “Supervisors, I am considering relocating my company to your County and would like to know if you will welcome me”.
- ▶ My company has 3,120 employees.
- ▶ This includes 904 RNs and 170 Residents.
- ▶ We have 534 active members on our Medical Staff.
- ▶ 77% of my employees are female.
- ▶ 50% are the sole wage earner for their family.

Fun Fact:

- ▶ I pay exactly equal wages to men and women.
- ▶ My average base rate per hour is over \$25.00.
- ▶ My benefit package is as generous as any employer in your County offers.
- ▶ My product produces NO pollution.
- ▶ “Supervisors would you like me to locate in your County?”
- ▶ I am already here.

My name is
Riverside County Regional Medical Center.

- ▶ **Thank you...for your time**
- ▶ **Questions, Ideas, Comments?**