

Health Administration

DESCRIPTION OF MAJOR SERVICES

The role of the Health Administration budget unit is to seek and support opportunities to foster collaboration among the Department of Public Health (PH), Department of Behavioral Health (BH), and the Arrowhead Regional Medical Center (ARMC). Health Administration provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, Health Administration manages the \$120.7 million Health Administration budget unit, which includes funding and related transactions for the County's contribution for ARMC debt service payments, health related maintenance of effort costs, and transfers required to obtain federal health care funding.

Budget at a Glance

| | |
|--|---------------|
| Requirements Less Reimbursements* | \$120,730,613 |
| Sources/Reimbursements | \$105,730,613 |
| Net County Cost | \$15,000,000 |
| Total Staff | 1 |
| Funded by Net County Cost | 12% |
| <small>*Includes Contingencies</small> | |

Intergovernmental Transfers

This budget unit includes Intergovernmental Transfers (IGT) to the state for Disproportionate Share Hospital (DSH) Supplemental Payments, Medi-Cal managed care, and Delivery System Reform Incentive Payments (DSRIP). These IGT's are used to send the non-federal share of DSH, Medi-Cal managed care, and DSRIP payments to the state in order to receive matching contributions. The initial investment is returned to this budget unit.

DSH supplemental payments are provided by the state to qualifying hospitals that serve a Medi-Cal and uninsured individuals to provide for uncompensated costs of care. Medi-Cal managed care payments provide for maximum reimbursement under the allowable rate range. DSRIP funding is strictly tied to results and meeting transformation milestones. These payments are reflected as a matching contribution to the state, with a return of the initial investment to this budget unit.

Realignment and General Fund Support

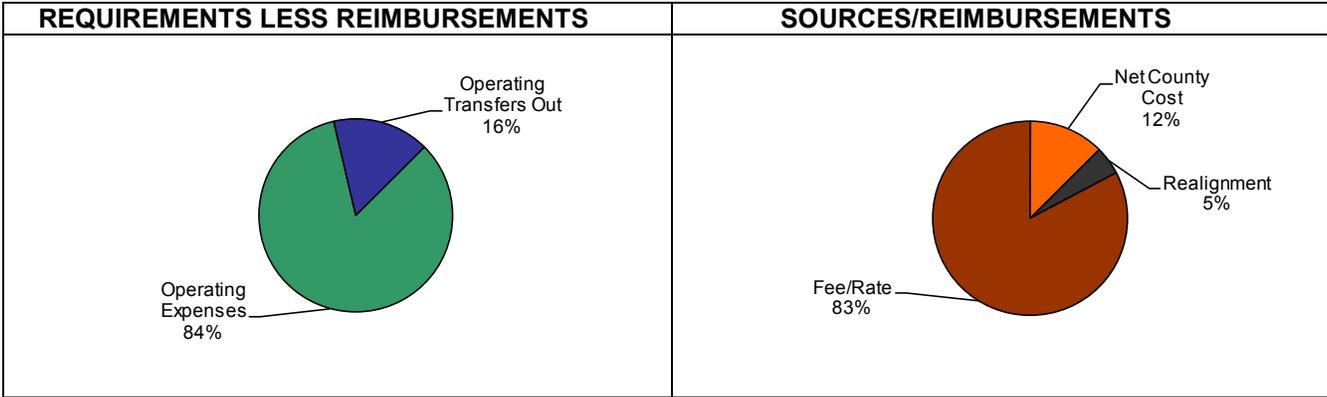
General fund support and realignment funds are used to pay for the ARMC debt service lease payments of \$15.0 million, Realignment AB 8 match of \$4.3 million, and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the County must contribute a 'match' of local funds. The County's match is \$4.3 million, which is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support administrative costs in this budget unit as follows:

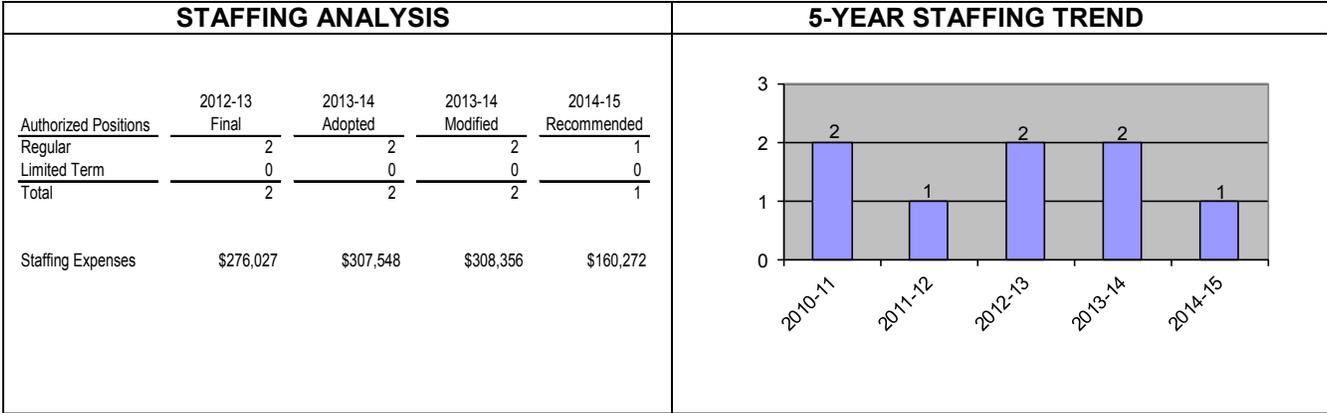
- Mental Health at 9.95%;
- Social Services at 2.76%;
- Health at 87.29% (which also covers debt service payments).



2014-15 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 RECOMMENDED BUDGET

GROUP: Human Services
DEPARTMENT: Health Administration
FUND: General

BUDGET UNIT: AAA HCC
FUNCTION: Health and Sanitation
ACTIVITY: Hospital Care

| | 2010-11 Actual | 2011-12 Actual | 2012-13 Actual | 2013-14 Estimate | 2013-14 Modified Budget | 2014-15 Recommended Budget | Change From 2013-14 Modified Budget |
|-------------------------|-------------------|-------------------|-------------------|---------------------|-------------------------------|----------------------------------|--|
| Requirements | | | | | | | |
| Staffing Expenses | 230,227 | 176,247 | 320,215 | 308,356 | 308,356 | 160,272 | (148,084) |
| Operating Expenses | 32,029,606 | 23,988,795 | 67,065,145 | 148,777,090 | 130,960,232 | 101,081,987 | (29,878,245) |
| Capital Expenditures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contingencies | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Exp Authority | 32,259,833 | 24,165,042 | 67,385,360 | 149,085,446 | 131,268,588 | 101,242,259 | (30,026,329) |
| Reimbursements | 0 | (39,979) | 0 | 0 | 0 | 0 | 0 |
| Total Appropriation | 32,259,833 | 24,125,063 | 67,385,360 | 149,085,446 | 131,268,588 | 101,242,259 | (30,026,329) |
| Operating Transfers Out | 19,805,002 | 19,023,328 | 18,302,938 | 19,316,679 | 19,316,679 | 19,488,354 | 171,675 |
| Total Requirements | 52,064,835 | 43,148,391 | 85,688,298 | 168,402,125 | 150,585,267 | 120,730,613 | (29,854,654) |
| Sources | | | | | | | |
| Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Realignment | 5,825,299 | 4,873,403 | 7,826,732 | 5,402,123 | 5,584,459 | 5,730,613 | 146,154 |
| State, Fed or Gov't Aid | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fee/Rate | 31,244,819 | 23,277,623 | 62,861,566 | 148,000,000 | 130,000,000 | 100,000,000 | (30,000,000) |
| Other Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 37,070,118 | 28,151,026 | 70,688,298 | 153,402,123 | 135,584,459 | 105,730,613 | (29,853,846) |
| Operating Transfers In | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Financing Sources | 37,070,118 | 28,151,026 | 70,688,298 | 153,402,123 | 135,584,459 | 105,730,613 | (29,853,846) |
| Net County Cost | 14,994,717 | 14,997,365 | 15,000,000 | 15,000,002 | 15,000,808 | 15,000,000 | (808) |
| | | | | Budgeted Staffing | 2 | 1 | (1) |

MAJOR EXPENDITURES AND REVENUE IN 2014-15 RECOMMENDED BUDGET

Major expenditures in this budget unit include intergovernmental transfers for Disproportionate Share Hospital (DSH), Delivery System Reform Incentive Payments (DSRIP), and Medi-Cal managed care programs to cover the required local match and debt service lease payments for ARMC. The major revenue source is the matching funds received from the state.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$29.9 million due to decreased intergovernmental transfers required for DSH, DSRIP, and Medi-Cal managed care programs. Sources are decreased by \$29.9 million due to a reduction in matching funds for these programs directly related to requirements.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$160,272 fund 1 budgeted regular position. One Administrative Analyst III position was moved to the Finance and Administration budget unit in 2014-15. Overall requirements related to staffing will remain consistent as costs for support from Finance and Administration staff will be funded through operating transfers out.



2014-15 POSITION SUMMARY

| <u>Division</u> | <u>Regular</u> | <u>Limited Term</u> | <u>Total</u> | <u>Filled</u> | <u>Vacant</u> | <u>New</u> | <u>Total</u> |
|----------------------------|----------------|---------------------|--------------|---------------|---------------|------------|--------------|
| Administrative Analyst III | 1 | 0 | 1 | 1 | 0 | 0 | 1 |
| Total | 1 | 0 | 1 | 1 | 0 | 0 | 1 |

| Health Administration | |
|------------------------------|--|
| <u>Classification</u> | |
| 1 Administrative Analyst III | |
| 1 Total | |

