

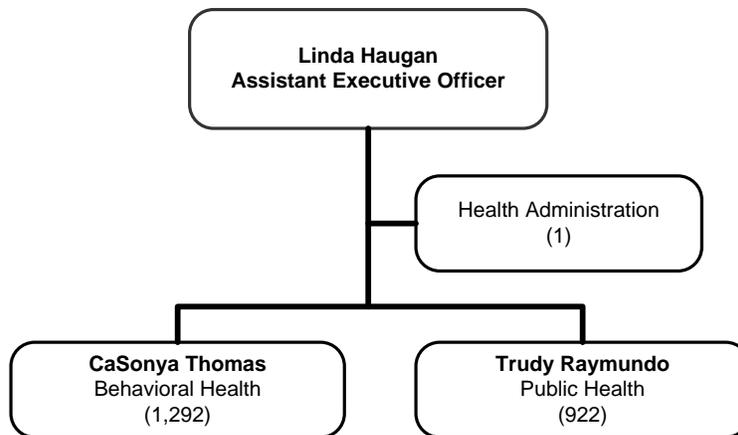
HEALTH ADMINISTRATION

DEPARTMENT MISSION STATEMENT

Health Administration develops and coordinates budgets, policies, and procedures for the County's health care departments in accordance with the strategic goals adopted by the Board of Supervisors, the County Charter, and the general laws.



ORGANIZATIONAL CHART



2016-17 SUMMARY OF BUDGET UNITS

	2016-17					
	Requirements	Sources	Net County Cost	Use of / (Contribution to) Fund Balance	Use of / (Contribution to) Net Position	Staffing
General Fund						
Health Administration	120,371,376	105,371,376	15,000,000			1
Total General Fund	120,371,376	105,371,376	15,000,000	0	0	1
Special Revenue Funds						
Master Settlement Agreement	17,000,000	17,381,156		(381,156)		0
Total Special Revenue Funds	17,000,000	17,381,156	0	(381,156)	0	0
Total - All Funds	137,371,376	122,752,532	15,000,000	(381,156)	0	1



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 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	
Total Requirements (Excl. Reimb.)	\$120,371,376
Total Sources (Incl. Reimb.)	\$105,371,376
Net County Cost	\$15,000,000
Total Staff	1
Funded by Net County Cost	12%

Intergovernmental Transfers

This budget unit includes Intergovernmental Transfers (IGT) to the state for Medi-Cal managed care and Section 1115 Waiver related payments which consists of three components: PRIME, Global Payment Program (GPP), and Whole Person Care (WPC). These IGTs are used to send the non-federal share of Medi-Cal managed care and Section 1115 Waiver payments to the state in order to receive matching contributions. The initial investment is returned to this budget unit.

Medi-Cal managed care payments provide for maximum reimbursement under the allowable rate range. PRIME funding is tied to results and is based on meeting metrics and project objectives set to national standards. GPP funding is tied to treating remaining uninsured through non-traditional or complementary services. WPC is designed to provide comprehensive integrated care to high-risk and vulnerable patients. 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

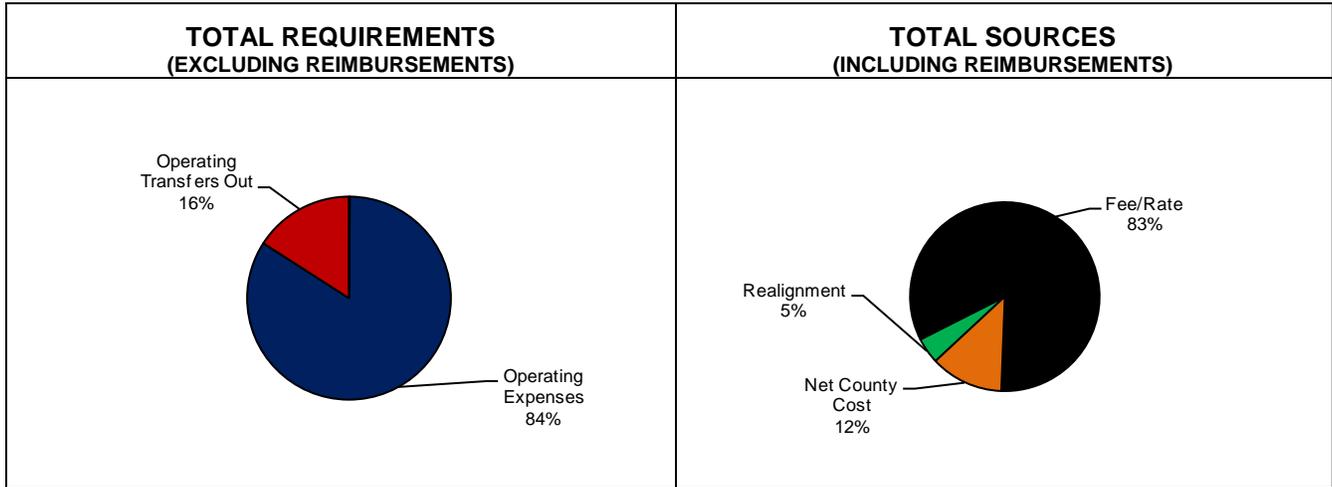
County General Fund support and realignment funds totaling \$20.4 million are used to pay a portion of the ARMC debt service (\$14.8 million), Realignment AB 8 match of \$4.3 million, 2-1-1 San Bernardino Program, and administrative costs. To qualify for receipt of Health Realignment funding from the state, the County must contribute a ‘match’ of local funds. The County’s \$4.3 million match is based on a formula established through AB 8 in 1979. This amount has remained constant throughout the years.

Realignment funds support costs in this budget unit as follows:

- Mental Health at 9.8%;
- Social Services at 3.3%;
- Health at 86.9% (which also covers debt service payments).



2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Human Services
DEPARTMENT: Health Administration
FUND: General

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

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	320,215	323,696	145,471	168,474	167,085	171,502	3,028
Operating Expenses	67,065,145	152,789,252	63,253,366	101,053,987	75,879,124	101,062,573	8,586
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	67,385,360	153,112,948	63,398,837	101,222,461	76,046,209	101,234,075	11,614
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	67,385,360	153,112,948	63,398,837	101,222,461	76,046,209	101,234,075	11,614
Operating Transfers Out	18,302,938	17,346,170	21,425,070	19,056,554	18,737,440	19,137,301	80,747
Total Requirements	85,688,298	170,459,118	84,823,907	120,279,015	94,783,649	120,371,376	92,361
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	7,826,732	3,376,654	7,399,844	5,279,015	4,783,649	5,371,376	92,361
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	62,861,566	152,082,554	62,423,991	100,000,000	75,000,000	100,000,000	0
Other Revenue	0	0	72	0	0	0	0
Total Revenue	70,688,298	155,459,209	69,823,907	105,279,015	79,783,649	105,371,376	92,361
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	70,688,298	155,459,209	69,823,907	105,279,015	79,783,649	105,371,376	92,361
Net County Cost	15,000,000	14,999,909	15,000,000	15,000,000	15,000,000	15,000,000	0
Budgeted Staffing*	2	2	1	1	1	1	0

*Data represents modified budgeted staffing

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Major expenditures include Intergovernmental Transfers to cover the required local match for Medi-Cal managed care, PRIME, GPP, and WPC programs, as well as debt service for ARMC. The major revenue source is the matching funds received from the state.



BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$92,361 due to increased administrative and debt service costs, which results in an increase in Sources needed to meet Requirements.

2016-17 POSITION SUMMARY*

Division	2015-16				2016-17		
	Modified Staffing	Adds	Deletes	Re-Orgs	Recommended	Limited	Regular
Health Administration	1	0	0	0	1	0	1
Total	1	0	0	0	1	0	1

*Detailed classification listing available in Appendix D.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing Expenses of \$171,502 fund one budgeted regular position.



Master Settlement Agreement

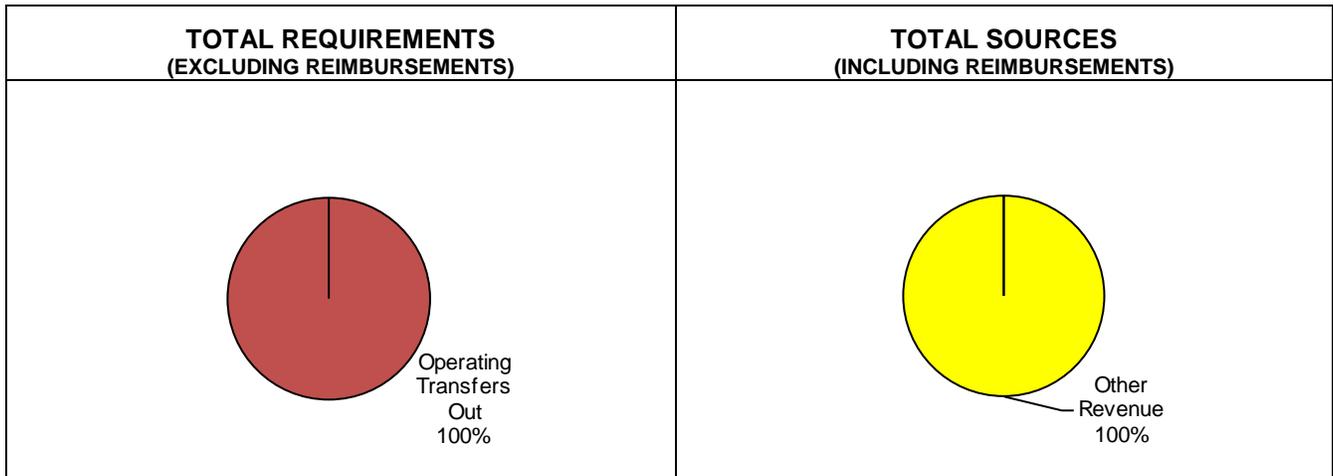
DESCRIPTION OF MAJOR SERVICES

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998, a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are divided equally between the State and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

Budget at a Glance	
Total Requirements (Excl. Reimb.)	\$17,000,000
Total Sources (Incl. Reimb.)	\$17,381,156
Use of/ (Contribution to) Fund Balance	(\$381,156)
Total Staff	0

A majority of the County's total proceeds are used each year to fund a portion of the Arrowhead Regional Medical Center (ARMC) debt.

2016-17 RECOMMENDED BUDGET



ANALYSIS OF 2016-17 RECOMMENDED BUDGET

GROUP: Human Services
 DEPARTMENT: Health Administration
 FUND: Master Settlement Agreement

BUDGET UNIT: RSM MSA
 FUNCTION: Health and Sanitation
 ACTIVITY: Hospital Care

	2012-13	2013-14	2014-15	(A) 2015-16	2015-16	(B) 2016-17	(B-A) Change From Prior Year Modified Budget
	Actual	Actual	Actual	Modified Budget	Estimate	Recommended Budget	
Requirements							
Staffing Expenses	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0
Capital Expenditures	0	0	0	0	0	0	0
Total Exp Authority	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	0	0	0	0	0	0	0
Operating Transfers Out	17,000,000	17,000,000	19,200,000	35,300,000	35,300,000	17,000,000	(18,300,000)
Total Requirements	17,000,000	17,000,000	19,200,000	35,300,000	35,300,000	17,000,000	(18,300,000)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State/Fed/Other Government	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	27,311,849	17,994,676	17,836,962	17,783,935	17,619,094	17,381,156	(402,779)
Total Revenue	27,311,849	17,994,676	17,836,962	17,783,935	17,619,094	17,381,156	(402,779)
Operating Transfers In	10,611	0	0	0	0	0	0
Total Financing Sources	27,322,460	17,994,676	17,836,962	17,783,935	17,619,094	17,381,156	(402,779)
Fund Balance							
Use of / (Contribution to) Fund Balance**	(10,322,460)	(994,676)	1,363,038	17,516,065	17,680,906	(381,156)	(17,897,221)
Available Reserves				2,570,410	2,405,569	2,786,725	216,315
Total Fund Balance				20,086,475	20,086,475	2,405,569	(17,680,906)
Budgeted Staffing*	0	0	0	0	0	0	0

*Data represents modified budgeted staffing

**Contribution to Fund Balance appears as a negative number and increases Available Reserves.

MAJOR REQUIREMENTS AND SOURCES IN 2016-17 RECOMMENDED BUDGET

Operating Transfers Out of \$17.0 million reflect a transfer to the General Fund used to fund the Net County Cost within the Health Administration budget unit and to offset increased health care costs within the Department of Public Health. Health Administration uses that Net County Cost to fund the \$4.3 million local match requirement for 1991 Health Realignment and \$10.7 million of debt service for ARMC.

BUDGET CHANGES AND OPERATIONAL IMPACT

Sources from the Master Settlement Agreement have been budgeted conservatively based on average receipts over the last four years excluding extraordinary revenue. Revenues have remained stable over the past four years with the exception of the approximate \$9.8 million of extraordinary revenue received in 2012-13 for a Non-Participating Manufacturers (NPM) Adjustment settlement payment.

ANALYSIS OF FUND BALANCE

Fund balance is expected to increase by \$381,156 based on the continued trend of revenues exceeding the base expenditure. In 2015-16, a one-time contribution was made to a General Fund Reserve for an ARMC Jail Ward. There are no ongoing uses of fund balance anticipated in 2016-17.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

