

Health Care Administration

DESCRIPTION OF MAJOR SERVICES

The role of the Health Care Administration budget unit is to seek and support opportunities to foster collaboration among the Department of Public Health (DPH), Department of Behavioral Health (DBH), and the Arrowhead Regional Medical Center (ARMC). The administration provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this administration manages the \$73.9 million Health Care Administration budget unit, which includes funding for ARMC debt service, health related maintenance of effort costs, and transfers required to obtain federal health care funding.

Health care related transactions represented by this budget unit include the Disproportionate Share Hospital (DSH) Supplemental Payments, Realignment AB 8 match, and the county's contribution for ARMC debt service payments.

Intergovernmental Transfers for Medi-Cal Managed Care Capitation Rates

For 2009-10, this budget unit also includes Intergovernmental Transfers (IGT) to the State to fund increased Medi-Cal managed care capitation rate payments to managed care plans that contract with their respective counties. These IGT's are to be used as the non-federal share of the Medi-Cal managed care capitation rate increases. The IGT Proposal became effective for the rate year October 1, 2008 through September 30, 2009. As with the Disproportionate Share Hospital Funds transfers, the IGT matching contributions to the state, as well as the return of that initial investment is reported within this budget unit.

California Medi-Cal Hospital/Uninsured Care Demonstration Project (SB 1100)

Effective July 1, 2005, funding from SB 855 and SB 1255 for the Disproportionate Share Hospital Programs was replaced by SB 1100, California's Medi-Cal Hospital/Uninsured Care Demonstration Project. The prior SB 855 and SB 1255 programs provided supplemental payments to hospitals serving a disproportionate number of low-income individuals, as well as those licensed to provide emergency medical services and contract with the California Medical Assistance Commission (CMAC) to serve Medi-Cal patients under the Selective Provider Contracting Program.

The new funding system, SB 1100, was designed under a Medicaid (Medi-Cal in California) waiver to fund public and private safety-net hospitals providing care to Medi-Cal and uninsured patients. The hospital financing waiver under SB 1100 is comprised of three elements:

- Medi-Cal Fee for Service, which represents federal funds accounted for directly in the Arrowhead Regional Medical Center (ARMC) budget unit, for services provided to Medi-Cal patients;
- Safety Net Care Pool Funds, which provide a fixed amount of federal dollars, also accounted for directly in the ARMC budget unit, to cover uncompensated health care costs, and
- Disproportionate Share Hospital Funds, which continue to be reflected as a matching contribution to the state, and a return of that initial investment, within 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, Realignment AB 8 match 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 for 2007-08 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 this budget as follows:

- Mental Health at 3.5% (which covers half of administrative costs).
- Health at 96.5% (which covers half of administrative costs plus debt service payments).

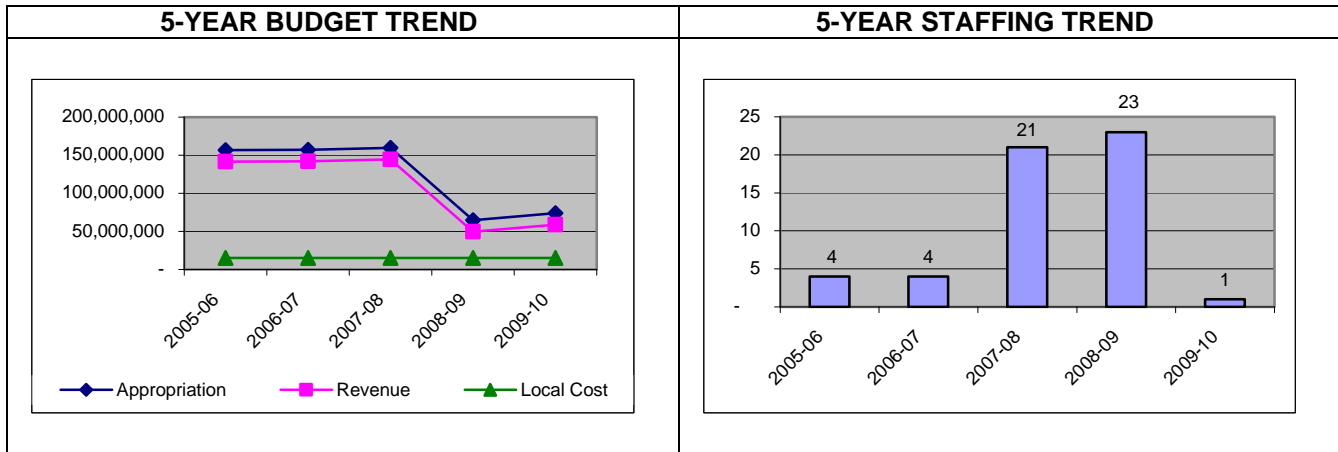
Inland Counties Emergency Medical Agency

The Inland Counties Emergency Medical Agency (ICEMA) was developed under a Joint Powers Agreement with San Bernardino, Inyo and Mono Counties. ICEMA is responsible for ensuring effective emergency medical services for the three county area. Specifically, they are charged with the coordination, evaluation and

monitoring of emergency medical services within public and private pre-hospital providers, specialty hospitals, paramedic base hospitals, as well as the effectiveness of Emergency Medical Services (EMS) educational programs and medical disaster preparedness.

In February 2007, the Board of Supervisors approved the separation of ICEMA from the Public Health budget unit, to be included as a separate organization within the Health Care Administration Division and administered directly by the County Administrative Office. After careful discussion with staff from ICEMA and the Auditor-Controller/Recorders Office, it was determined, that by virtue of being a Joint Powers Authority, and as such, a separate agency, the most appropriate method for its accounting would be as a distinct and separate budget unit. Therefore, for 2009-10, ICEMA staff and all corresponding expenditures and revenues are reflected under a new Special Revenue Fund (SMI-ICM), and will be presented in a separate budget document.

BUDGET HISTORY



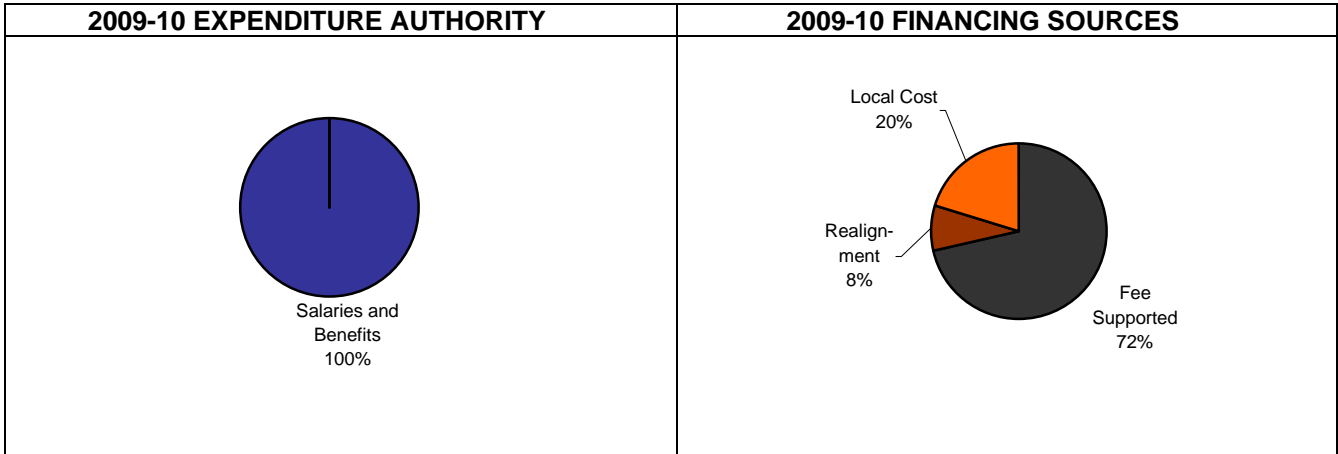
PERFORMANCE HISTORY

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	53,624,875	61,720,187	54,582,493	65,310,575	69,878,727
Departmental Revenue	38,732,875	46,720,187	39,582,493	50,310,575	54,878,727
Local Cost	14,892,000	15,000,000	15,000,000	15,000,000	15,000,000
Budgeted Staffing				23	

Estimated appropriation for 2008-09 is greater than modified budget primarily as a result of the approved Intergovernmental Transfer (IGT) Proposal, which became effective rate year October 1, 2008 through September 30, 2009. The IGT matching contribution transfer to the state, as well as the return of that initial investment, in the amount of \$8,250,000 is reflected for 2008-09.



ANALYSIS OF PROPOSED BUDGET



GROUP: Health Care
DEPARTMENT: Health Care Administration
FUND: General

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

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
Appropriation							
Salaries and Benefits	489,206	550,109	1,691,080	1,632,824	1,882,208	165,372	(1,716,836)
Services and Supplies	92,390	133,826	624,706	672,808	380,283	46,600	(333,683)
Central Computer	2,673	4,604	16,222	6,660	18,970	-	(18,970)
Travel	-	-	-	35,542	58,820	6,000	(52,820)
Other Charges	24,759,402	31,577,091	26,359,118	46,847,510	40,250,000	53,063,500	12,813,500
Equipment	-	-	-	143,568	-	-	-
Transfers	807	170,650	757,462	487,376	737,349	499,813	(237,536)
Total Exp Authority	25,344,478	32,436,280	29,448,588	49,826,288	43,327,630	53,781,285	10,453,655
Reimbursements	-	-	(20,660)	-	-	-	-
Total Appropriation	25,344,478	32,436,280	29,427,928	49,826,288	43,327,630	53,781,285	10,453,655
Operating Transfers Out	28,280,397	29,283,907	25,154,565	20,052,439	21,375,774	20,126,738	(1,249,036)
Total Requirements	53,624,875	61,720,187	54,582,493	69,878,727	64,703,404	73,908,023	9,204,619
Departmental Revenue							
Licenses and Permits	-	-	173,611	179,256	171,808	-	(171,808)
Fines and Forfeitures	-	-	783,197	750,744	470,093	-	(470,093)
Realignment	14,223,473	6,913,310	11,357,710	5,844,211	7,667,942	6,158,023	(1,509,919)
State, Fed or Gov't Aid	-	-	319,295	254,125	254,125	-	(254,125)
Current Services	24,509,402	31,327,091	26,520,777	46,702,378	40,498,000	52,750,000	12,252,000
Other Revenue	-	-	12,620	128,112	9,280	-	(9,280)
Total Revenue	38,732,875	38,240,401	39,167,210	53,858,826	49,071,248	58,908,023	9,836,775
Operating Transfers In	-	8,479,786	415,283	1,019,901	632,156	-	(632,156)
Total Financing Sources	38,732,875	46,720,187	39,582,493	54,878,727	49,703,404	58,908,023	9,204,619
Local Cost	14,892,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	-
Budgeted Staffing					23	1	(22)

Salaries and benefits of \$165,372 fund 1 budgeted position, and are decreasing by \$1,716,836. This decrease is the result of the transfer of 22 budgeted positions for the Inland Counties Emergency Medical Agency to a new Special Revenue Fund (SMI-ICM).

Services and supplies of \$46,600 and travel of \$6,000 represent anticipated costs for supplies, training, memberships, and travel for Health Care Administration activities. The decrease of \$333,683 for services and supplies, and decrease of \$52,820 for travel are directly related to the transfer of ICEMA to a new budget unit for 2009-10.



Other charges of \$53,063,500 are increasing by \$12,813,500 primarily as a result of the approved Intergovernmental Transfer Proposal to fund Medi-Cal Managed Care capitation rate increases. The increase also reflects anticipated increases in SB 1100 matching contribution transfers to the state.

Transfers of \$499,813 reflect payment to the County Administrative Office for administrative and program support, and to the Information Services Department for the HealthCare Division Chief.

Operating transfers out of \$20,126,738 fund \$4.3 of realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the Public Health and Arrowhead Regional Medical Center budget units to fund health programs, and \$15.8 million of net debt service lease payment for Arrowhead Regional Medical Center. This net debt service lease payment is funded by \$15.0 million of Tobacco Master Settlement Agreement monies and an additional \$0.8 million of realignment.

Realignment revenue of \$6,158,023 is decreasing by \$1,509,919 primarily as a result of decreases in net debt service lease payment for Arrowhead Regional Medical Center.

Current services revenue of \$52,750,000 are increasing by \$12,252,000 to reflect anticipated increased revenues associated with SB1100 as well as Medi-Cal managed care capitation rate payment enhancements. .

