

## Arrowhead Regional Medical Center

### DESCRIPTION OF MAJOR SERVICES

Arrowhead Regional Medical Center (ARMC) is a state-of-the-art acute care facility embracing advanced technology in all patient and support areas. ARMC offers the latest in patient care by providing a full range of inpatient and outpatient services, three off campus community health centers, Department of Behavioral Health's inpatient activities and numerous specialty services. Freeway access, shuttle service and close proximity to an Omni-trans bus hub make ARMC convenient to county residents.

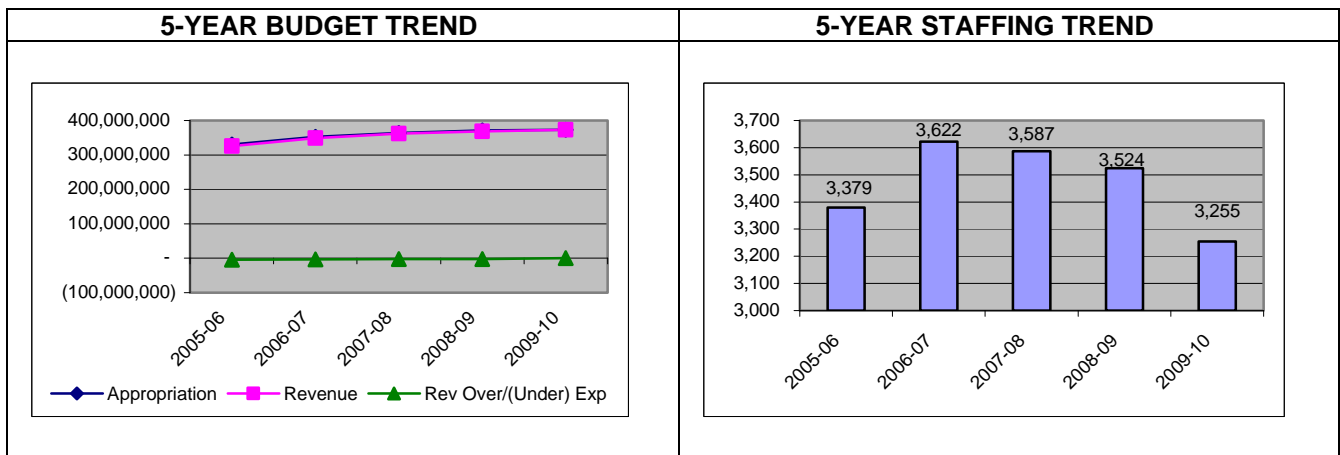
ARMC and Behavioral Health facilities are comprised of 373 (90 in Behavioral Health and 283 in ARMC) inpatient rooms, most of which are private. The Emergency Department is a Level II Trauma Center and consists of 15 observation rooms, 8 treatment rooms, 3 law enforcement holding rooms, 8 trauma rooms and a 9 bay Rapid Medical Emergent Treatment area to expedite treatment and improve throughput. The helicopter landing area can accommodate both standard Medi-Vac helicopters and military helicopters. The outpatient care center consists of 109 examination rooms and 8 procedure rooms.

The campus houses five buildings which also serve to outline the definitive services/medical center functions: Behavioral Health, Hospital, Outpatient Care Center, Diagnostic & Treatment and the Central Plant. This year, nine temporary modular buildings were added to the Northwest corner of the campus. This is temporary housing for departments and accompanying staff displaced during the current hospital expansion project. This project started in early 2008 when we began the process of demolishing the sixth floor in order to renovate it for an additional 83 medical/surgical beds. These beds will be separated into three distinct units that will become operational on a phased-in schedule beginning approximately October 2009. This expansion will bring total bed capacity to 456.

**Inpatient Care:** Inpatient services provide curative, preventative, restorative and supportive care for general and specialty units within the General Acute Care Hospital, Behavioral Health Hospital and Home Health. Care is coordinated among multiple care providers responsible for patient care twenty-four hours a day. Nursing functions as a primary interface with patients, families and others and is often the interpreter for the hospital experience and treatment plan. Education is a primary focus and ARMC offers numerous Residency Programs for the training of physicians in Family Practice, Emergency Medicine, Surgery, Neurosurgery, Women's Health, and Internal Medicine.

**Outpatient Services:** Outpatient Care is an integral part of our multifaceted healthcare delivery system offering a wide range of emergency, primary, preventive, chronic, follow-up and specialty care in an ambulatory care setting. Visits have exceeded 250,000 annually exclusive of the Emergency Room volume. Mobile services have been expanded to one Mobile Clinic and two Breath mobile units for a total of three. This will allow clinical services to be delivered in outlying areas and county emergencies when it is needed.

### BUDGET HISTORY



**PERFORMANCE HISTORY**

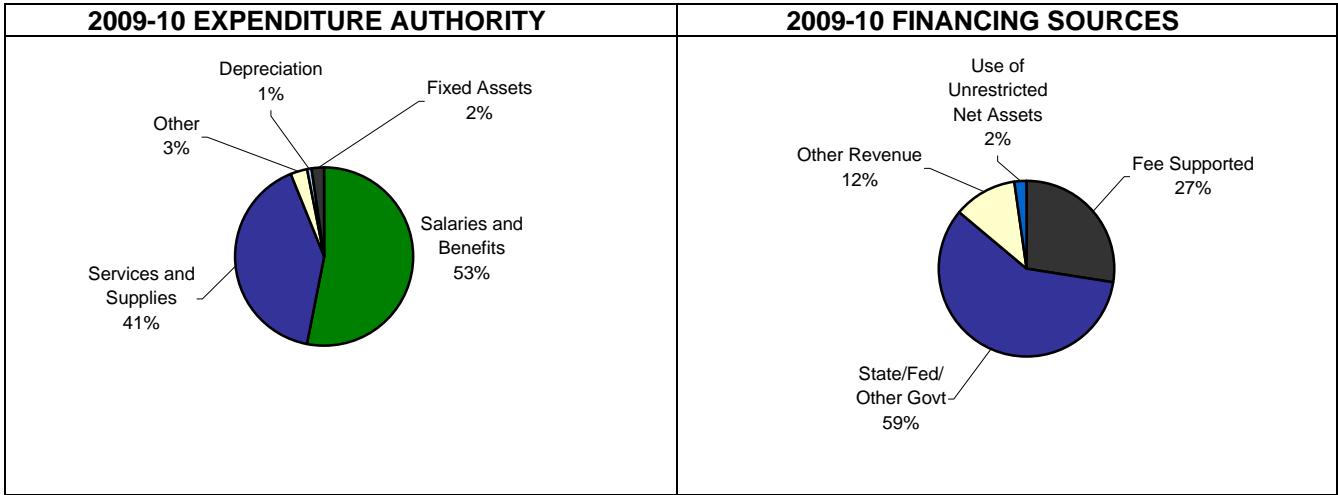
	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2008-09</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Modified</b>	<b>Estimate</b>
				<b>Budget</b>	
Appropriation	338,756,350	360,589,659	374,386,386	371,327,218	381,024,977
Departmental Revenue	325,302,143	352,805,258	374,171,464	368,673,065	378,939,706
Revenue Over/(Under) Exp	(13,454,207)	(7,784,401)	(214,922)	(2,654,153)	(2,085,271)
Budgeted Staffing				3,524	
Fixed Assets	1,539,482	2,468,254	10,892,792	15,255,023	8,449,608

Estimated appropriation for 2008-09 is \$381,024,977 versus a modified budget of \$371,327,218. This is an unfavorable variance of \$9,697,759 and is related to items in all expense categories. Variances are related to overages in staffing and overtime expense caused by employee turnover/replacement, pharmacy drug expenses related to patient acuity, and selected vendor expenses that were incurred during the year to address specific needs within the medical records and patient billing departments. These cost variances, however, have been addressed in the 2009-10 budget.

Estimated departmental revenue for 2008-09 reflects an increase of \$10,266,641 over modified budget primarily due to the unanticipated prior year settlements in SB 1100 Medi-Cal funding.



**ANALYSIS OF PROPOSED BUDGET**



GROUP: Health Care  
 DEPARTMENT: Arrowhead Regional Medical Center  
 FUND: Medical Center

BUDGET UNIT: EAD MCR  
 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
<b>Appropriation</b>							
Salaries and Benefits	175,477,648	191,107,523	197,245,389	207,027,085	204,249,747	202,191,642	(2,058,105)
Services and Supplies	146,463,897	151,305,402	158,945,121	154,224,621	148,991,816	153,982,012	4,990,196
Central Computer	910,103	1,075,193	1,283,275	1,416,972	1,416,972	1,680,881	263,909
Travel	-	-	-	477,755	505,926	498,694	(7,232)
Other Charges	1,026,124	1,023,734	938,124	1,025,738	790,681	978,852	188,171
Transfers	974,489	1,144,292	1,355,969	1,379,589	1,383,219	1,533,726	150,507
Total Exp Authority	324,852,261	345,656,144	359,767,878	365,551,760	357,338,361	360,865,807	3,527,446
Reimbursements	-	(5,000)	(144,325)	-	53,000	-	(53,000)
Total Appropriation	324,852,261	345,651,144	359,623,553	365,551,760	357,391,361	360,865,807	3,474,446
Depreciation	5,904,089	5,927,187	6,437,443	7,123,217	5,935,857	3,593,232	(2,342,625)
Operating Transfers Out	8,000,000	9,011,328	8,325,390	8,350,000	8,000,000	8,450,000	450,000
Total Requirements	338,756,350	360,589,659	374,386,386	381,024,977	371,327,218	372,909,039	1,581,821
<b>Departmental Revenue</b>							
Use Of Money and Prop	126	(125)	44,597	-	-	-	-
State, Fed or Gov't Aid	181,560,624	201,726,300	217,227,157	221,677,235	197,358,613	224,003,244	26,644,631
Current Services	93,242,062	99,837,741	117,437,087	112,137,000	124,369,846	104,445,185	(19,924,661)
Other Revenue	10,814,880	4,854,160	1,081,538	4,885,971	4,461,688	4,882,636	420,948
Total Revenue	285,617,692	306,418,076	335,790,379	338,700,206	326,190,147	333,331,065	7,140,918
Operating Transfers In	39,684,451	46,387,182	38,381,085	40,239,500	42,482,918	39,748,769	(2,734,149)
Total Financing Sources	325,302,143	352,805,258	374,171,464	378,939,706	368,673,065	373,079,834	4,406,769
Rev Over/(Under) Exp	(13,454,207)	(7,784,401)	(214,922)	(2,085,271)	(2,654,153)	170,795	2,824,948
Budgeted Staffing					3,524	3,255	(269)
<b>Fixed Assets</b>							
Equipment	1,039,732	1,126,356	9,227,997	7,019,500	13,824,915	7,428,769	(6,396,146)
L/P Equipment	499,750	1,341,898	1,664,795	1,430,108	1,430,108	827,474	(602,634)
Total Fixed Assets	1,539,482	2,468,254	10,892,792	8,449,608	15,255,023	8,256,243	(6,998,780)

Salaries and benefits of \$202,191,642 fund 3,255 budgeted positions and are decreasing by \$2,058,105. Budgeted staffing decreased by 269 positions. This reduction is comprised of the deletion of vacant regular positions, and the elimination of various extra-help and contract positions. ARMC conducted a comprehensive review of all departmental positions and revised its staffing structure for 2009-10 with the intent of becoming more efficient. State mandated staffing ratios, however, were ensured and are continued and budgeted for 2009-10.



Services and supplies of \$153,982,012 is increasing by \$4,990,196. This increase of 3.3% is primarily driven by price/inflationary increases per contract and the planned opening of one of the sixth floor nursing units as part of the sixth floor patient room expansion.

Travel of \$498,694 reflects anticipated travel costs in the areas of private mileage, air travel, hotel, car rental and conference fees for this budget unit. These costs are based on departmental analysis of prior year travel related expenses.

Other charges of \$978,852 reflect expenses related to the county medically indigent program and interest on lease agreements.

Transfers of \$1,533,726 are increasing by \$150,507 and include payment to other departments for Human Resources employee relations, the Employee Health and Productivity (EHaP) program, and lease costs.

Depreciation of \$3,593,232 decreasing by \$2,342,625 per department's depreciation schedule.

Operating transfers out of \$8,450,000 is for the Medical Center Debt Service and represents ARMC's contribution from operations. A detailed description of the Medical Center Debt Service is available in the County Administrative Office's Medical Center Lease Payments budget unit.

Total revenue of \$333,331,065 is increasing by \$7,140,918, or 2.2% over prior year. This amount includes \$224,003,244 in state and federal aid primarily from Medi-Cal and Medicare, \$104,445,185 in current services from private pay patients and insurance, and \$4,882,636 in other revenue from cafeteria sales, miscellaneous grants, and services provided to other county departments and hospitals. ARMC finance administration continues to improve the revenue cycle systems to maximize collections.

Operating transfers in of \$39,748,769 reflects the Realignment contribution to the operations of the hospital and includes \$34,820,000 for operations, \$2,550,000 for the Medically Indigent program, \$577,671 of remaining one-time funding for the purchase of a linear accelerator, and \$1,801,098 in one-time funding for the purchase of an open MRI.

Currently, ARMC has an operating surplus of \$170,795. This accomplishment is a combination of maximizing revenues and expense containment initiatives.

Fixed assets of \$8,256,243 include \$7,428,769 for equipment and \$827,474 for lease purchase equipment. Equipment includes \$477,671 for the remaining amount due for the linear accelerator, \$1,451,098 for the purchase of an open MRI, and \$5,500,000 to replace aging equipment.