

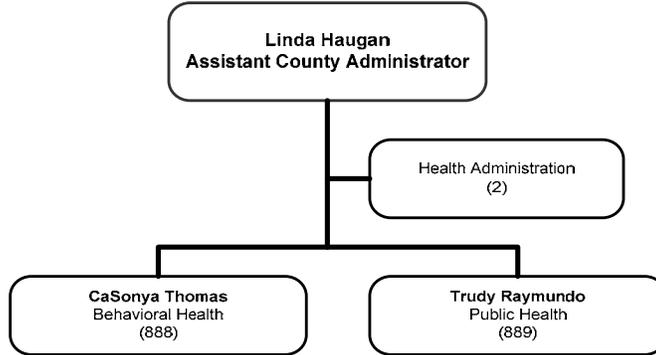
HEALTH ADMINISTRATION

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 general laws.



ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2012-13					
	Appropriation	Revenue	Net County Cost	Fund Balance	Net Budget	Staffing
General Fund						
Health Administration	77,560,645	62,560,645	15,000,000			2
Total General Fund	77,560,645	62,560,645	15,000,000			2
Special Revenue Fund						
Master Settlement Agreement	27,207,376	17,075,000		10,132,376		0
Total Special Revenue Fund	27,207,376	17,075,000		10,132,376		0
Total - All Funds	104,768,021	79,635,645	15,000,000	10,132,376		2

5-YEAR APPROPRIATION TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	64,703,404	61,640,716	52,070,117	43,427,735	77,560,645
Master Settlement Agreement	32,084,079	20,039,138	22,852,028	23,877,171	27,207,376
Total	96,787,483	81,679,854	74,922,145	67,304,906	104,768,021

5-YEAR REVENUE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	49,703,404	46,640,716	37,070,117	28,424,005	62,560,645
Master Settlement Agreement	18,600,000	17,409,067	17,812,891	18,025,144	17,075,000
Total	68,303,404	64,049,783	54,883,008	46,449,149	79,635,645

5-YEAR NET COUNTY COST TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Health Administration	15,000,000	15,000,000	15,000,000	15,003,730	15,000,000
Total	15,000,000	15,000,000	15,000,000	15,003,730	15,000,000

5-YEAR FUND BALANCE TREND					
	2008-09	2009-10	2010-11	2011-12	2012-13
Master Settlement Agreement	13,484,079	2,630,071	5,039,137	5,852,027	10,132,376
Total	13,484,079	2,630,071	5,039,137	5,852,027	10,132,376



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). The administration provides regular fiscal and policy analysis relating to the operations of these departments. Additionally, this administration manages the \$77.6 million Health 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.

Budget at a Glance	
Total Expenditure Authority	\$77,560,645
Total Sources	\$62,560,645
Net County Cost	\$15,000,000
Total Staff	2
Funded by Net County Cost	19%

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

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 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 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
- DSH 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

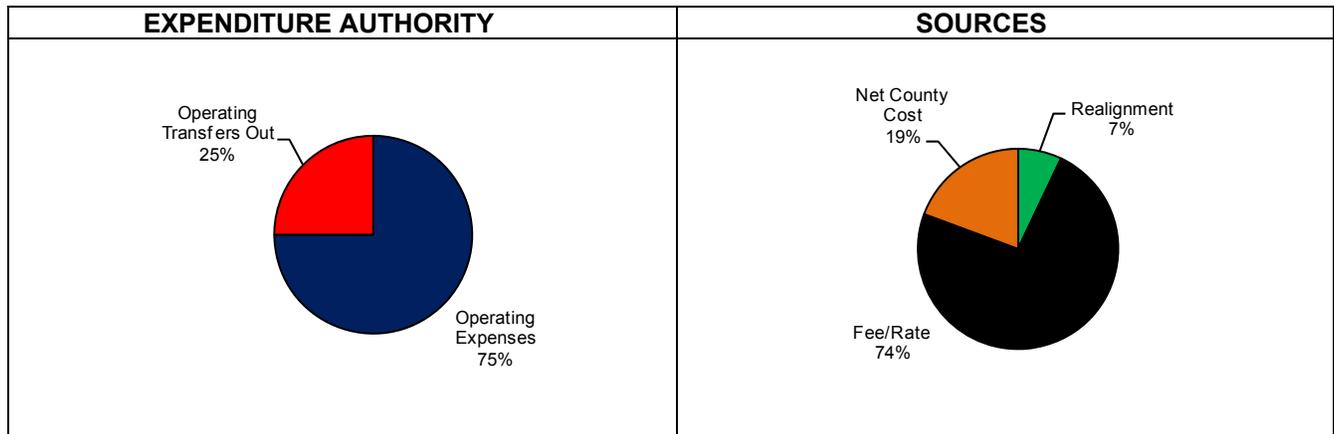
General fund support and realignment funds are used to pay for the ARMC debt service lease payments, Realignment AB 8 match and administrative costs related to this budget unit. To qualify for receipt of Health Realignment funding from the state, the County must contribute a 'match' of local funds. The County's match for 2012-13 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:

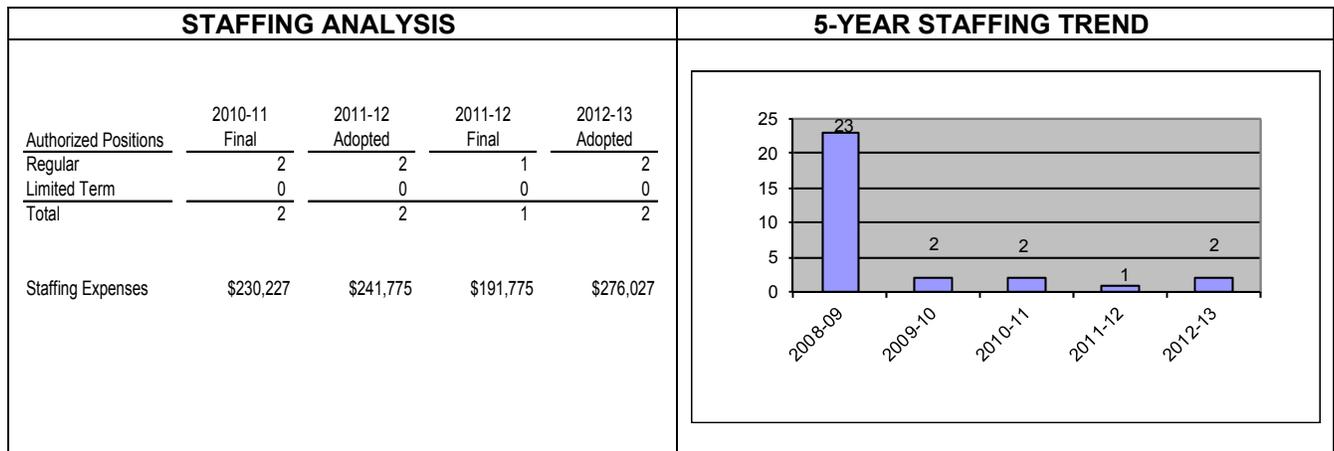
- Mental Health at 9.79% (which covers half of administrative costs).
- Social Services at 2.54% (which covers a share of cost for the 2-1-1 Information System.
- Health at 87.67% (which covers half of administrative costs plus debt service payments).



2012-13 ADOPTED BUDGET



BUDGETED STAFFING



In 2008-09, this budget unit included Inland Counties Emergency Medical Agency staffing.



ANALYSIS OF 2012-13 ADOPTED BUDGET

GROUP: Human Services
DEPARTMENT: Health Administration
FUND: General

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

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
Staffing Expenses	1,813,167	100,092	230,227	176,247	191,775	276,027	84,252
Operating Expenses	36,467,357	42,588,434	32,031,388	23,988,795	24,208,260	57,967,939	33,759,679
Capital Expenditures	131,520	0	0	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	38,412,044	42,688,526	32,261,615	24,165,042	24,400,035	58,243,966	33,843,931
Reimbursements	0	0	0	(39,979)	(40,000)	0	40,000
Total Appropriation	38,412,044	42,688,526	32,261,615	24,125,063	24,360,035	58,243,966	33,883,931
Operating Transfers Out	22,798,619	18,951,047	19,805,002	19,023,328	19,067,700	19,316,679	248,979
Total Requirements	61,210,663	61,639,573	52,066,617	43,148,391	43,427,735	77,560,645	34,132,910
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	8,940,756	4,754,817	5,825,299	4,873,403	4,909,005	5,470,645	561,640
State, Fed or Gov't Aid	804,792	0	0	0	0	0	0
Fee/Rate	35,931,084	41,884,757	31,244,819	23,277,623	23,515,000	57,090,000	33,575,000
Other Revenue	114,552	0	0	0	0	0	0
Total Revenue	45,791,184	46,639,574	37,070,118	28,151,026	28,424,005	62,560,645	34,136,640
Operating Transfers In	419,479	0	0	0	0	0	0
Total Sources	46,210,663	46,639,574	37,070,118	28,151,026	28,424,005	62,560,645	34,136,640
Net County Cost	15,000,000	14,999,999	14,996,499	14,997,365	15,003,730	15,000,000	(3,730)
Budgeted Staffing					1	2	1

BUDGET CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$276,027 fund 2 Administrative Analyst positions. This appropriation has a net increase of \$84,252 from prior year due to the addition of 1 Administrative Analyst.

Operating expenses of \$57,967,939 are increasing by \$33,759,679 (\$4,224,679 in order to fund increasing DSH Funds and the IGT Proposal to fund Medi-Cal Care capitation rate increases and \$29,535,000 due to less expenditures incurred in 2011-12 as reflected in the 2011-12 final budget).

Operating transfers out of \$19,316,679 fund \$4.3 million of realignment local match, which must be transferred into trust, before Health Realignment monies can be directed toward the PH and ARMC budget units to fund health programs, and \$15.0 million of net debt service lease payment for ARMC. Net county cost in this Department is funded by Tobacco Master Settlement agreement and supports the \$4.3 million realignment match and a portion of Medical Center lease payments.

Fee/rate revenue of \$57.1 million is increasing by \$33,575,000 (\$4.3 million based on matching revenues associated with DSH Funds and the IGT Proposal to fund Medi-Cal Managed Care capitation rate payment enhancements and \$29.3 million due to less revenue received in 2011-12 as reflected in the 2011-12 final budget).

MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Major expenditures in this budget unit include funding Disproportionate Share and Inter-Governmental Transfers to cover Medi-Cal Care and transfers to cover the required local match and debt service lease payments for ARMC. The major revenue is the matching funds from the state to cover Medi-Cal Managed Care capitation rate payment enhancements.



STAFFING CHANGES AND OPERATIONAL IMPACT

One Administrative Analyst was added in 2012-13

2012-13 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>
Health Administration	2	0	2	2	0	0	2
Total	2	0	2	2	0	0	2

Health Administration	
<u>Classification</u>	
2	Administrative Analyst
2	Total



Master Settlement Agreement

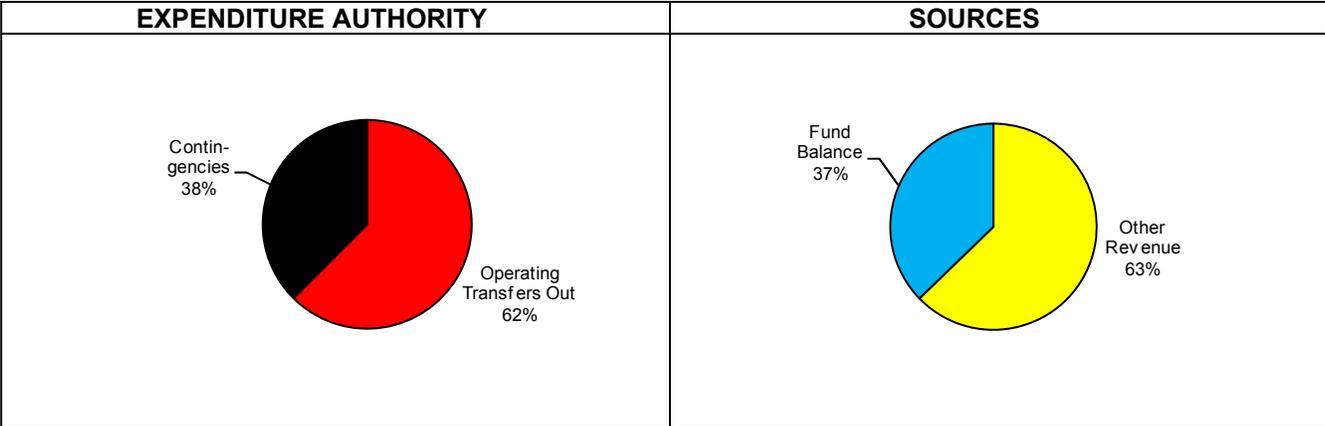
DESCRIPTION OF MAJOR SERVICES

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 to be 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 Expenditure Authority	\$27,207,376
Total Sources	\$17,075,000
Fund Balance	\$10,132,376
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.

2012-13 ADOPTED BUDGET



HUMAN SERVICES



ANALYSIS OF 2012-13 ADOPTED BUDGET

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

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

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2011-12 Final Budget	2012-13 Adopted Budget	Change From 2011-12 Final Budget
Appropriation							
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
Contingencies	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Total Exp Authority	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	17,084,079	0	0	0	6,877,171	10,207,376	3,330,205
Operating Transfers Out	15,000,000	15,000,000	17,000,000	17,000,000	17,000,000	17,000,000	0
Total Requirements	32,084,079	15,000,000	17,000,000	17,000,000	23,877,171	27,207,376	3,330,205
Departmental Revenue							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	0	0	0	0	0	0	0
Other Revenue	21,230,071	17,409,065	17,812,890	18,134,168	18,025,144	17,075,000	(950,144)
Total Revenue	21,230,071	17,409,065	17,812,890	18,134,168	18,025,144	17,075,000	(950,144)
Operating Transfers In	0	0	0	3,146,181	0	0	0
Total Sources	21,230,071	17,409,065	17,812,890	21,280,349	18,025,144	17,075,000	(950,144)
				Fund Balance	5,852,027	10,132,376	4,280,349
				Budgeted Staffing	0	0	0

BUDGET CHANGES AND OPERATIONAL IMPACT

Revenues from the Master Settlement Agreement have remained stable over the past three fiscal years and are expected to remain so in 2012-13. The majority of revenue will continue to be directed towards ARMC lease payments.

MAJOR EXPENDITURES AND REVENUE IN 2012-13 ADOPTED BUDGET

Contingencies of \$10.2 million reflect available fund balance.

Operating transfers out of \$17.0 million reflect a transfer to the general fund which is then used to fund the net county cost of \$15.0 million within the Health Administration budget unit and to offset health care costs of \$2.0 million within the Department of Public Health. Health Administration uses that net county cost to fund the \$4.3 million realignment local match requirement and \$10.7 million of net debt service lease payment for ARMC.

Other revenue of \$17.0 million reflects anticipated revenue received from the major tobacco companies to the MSA budget unit. Anticipated interest of \$75,000 is also included in the total.

STAFFING CHANGES AND OPERATIONAL IMPACT

There is no staffing associated with this budget unit.

