

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 6, 2025

FROM

ANDREW GOLDFRACH, ARMC Chief Executive Officer, Arrowhead Regional Medical Center

SHANNON D. DICUS, Sheriff/Coroner/Public Administrator

MATTHEW ERICKSON, County Chief Financial Officer

SUBJECT

2024-25 Budget Adjustments for Increased Hospital Expenses

RECOMMENDATION(S)

1. Authorize the Auditor-Controller/Treasurer/Tax Collector to post the necessary budget adjustments, as detailed in the Financial Impact section, to the Sheriff/Coroner/Public Administrator and Arrowhead Regional Medical Center's 2024-25 budget to fund increased costs in staffing, pharmaceuticals, physician costs, and medical supplies (Four votes required).
2. Approve Medication-Assisted Treatment Services Initiative related to the Opioid Settlement Expenditure Plan.
3. Approve the addition of the Medication-Assisted Treatment Services Initiative to the County Opioid Settlement Funding Expenditure Plan, increasing the amount by \$1,000,000 from \$22,249,532 to a total amount of \$23,249,532, to address the opioid epidemic within the County.

(Presenter: Andrew Goldfrach, ARMC Chief Executive Officer, 580-6150)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Provide for the Safety, Health and Social Service Needs of County Residents.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). The recommended budget adjustments, as reflected in the table below, are needed to provide Arrowhead Regional Medical Center (ARMC) with sufficient appropriation authority in 2024-25 to fund increased costs for staffing, computer software, pharmaceuticals, and other medical supplies. These costs will be funded by fixed asset savings from unpurchased fixed asset in the budget, additional supplemental revenue from Quality Improvement Program (QIP), Assembly Bill 85 (AB85) Rate Range, Interest Revenue and Reimbursement from the Sheriff/Coroner/Public Administrator's Department (Sheriff), which includes \$1,000,000 from the Opioid Settlement Funding.

SAP Fund Center	Commitment Item/GL	Description	Action	Amount
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**2024-25 Budget Adjustments for Increased Hospital Expenses
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9110004200	51001010	Regular Salary	Increase	\$16,350,000
9184804200	52002115	Computer Software Expense	Increase	\$6,000,000
9177104200	52003800	Pharmaceuticals	Increase	\$5,000,000
9174214200	52004100	Other Medical Supplies	Increase	\$5,400,000
9186104200	54404040	Equipment	Decrease	\$6,000,000
9177104200	55415013	Services And Supplies Transfers In	Increase	\$1,400,000
9110004200	40308500	Interest	Increase	\$12,000,000
9110004200	40449625	ARMC - Managed Care LGT	Increase	\$10,000,000
9110004200	40449685	ARMC - AB85 Rate Range Revenue	Increase	\$3,350,000
4420001000	55405012	Services And Supplies Transfers Out	Increase	\$1,000,000
4420001000	55415013	Services And Supplies Transfers In	Increase	\$1,000,000

BACKGROUND INFORMATION

Approval of the recommendation will allow ARMC to fund increased costs in staffing, computer software, pharmaceuticals, and other medical supplies. Staffing costs increased primarily due to Memorandum of Understanding (MOU) increases and State Bill 525 (SB525) Healthcare minimum wage increases. Pharmaceutical costs increased due to an unexpected increase in census and medical supply costs increases, primarily due to inflation. The increase in pharmaceutical costs will be partially offset by the Sheriff.

The Sheriff operates a Detention and Corrections Bureau with more than 58,000 annual bookings and an average daily population of 4,912 inmates housed. California Code of Regulations, title 15, section 1200 et seq. identifies the responsibilities of the Sheriff to provide medical and mental health care services for correctional patients. The Medication Assisted Treatment (MAT) program, overseen by the Sheriff, is critical for compliance with legal mandates, improving health and outcomes, and enhancing public safety by reducing recidivism related to opioid use disorder. The requested \$1,000,000 increase, reimbursed by the Opioid Settlement Fund, will allow the Sheriff to fund the cost for opioid medication for incarcerated individuals.

The increased costs will be funded by additional supplemental revenue from the Quality Improvement Program (QIP), AB85 Rate Range and Interest Revenue. In addition, the adjustments include an increase in computer software with an offsetting decrease in equipment to correct the budgetary category.

Approval of this item will allow ARMC and the Sheriff to make the necessary appropriation adjustments to operate in a fiscally responsible and business-like manner and continue to provide for the health and safety of county residents as it will help continue critical services.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Charles Phan, Supervising Deputy County Counsel, 387-5455) on April 3, 2025; Sheriff/Coroner/Public Administrator (Carolina Mendoza,

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Chief Deputy Director, 387-0640) on April 21, 2025; Auditor-Controller/Treasurer/Tax Collector (Mima Ugbo, Deputy Chief Controller, 382-3035) on April 11, 2025; ARMC Finance (Chen Wu, Finance and Budget Officer, 580-3165) on April 9, 2025; Finance (Erika Rodarte, Administrative Analyst, 387-4919 and Jenny Yang, Administrative Analyst, 387-4884) on April 22, 2025; and County Finance and Administration (Valerie Clay, Deputy Executive Officer 387-5423) on April 22, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 6, 2025



cc: File - Medical Center

CCM 05/7/2025