

# Hospital Update

**Prepared for:**  
ARMC Joint Conference Committee  
December 2024



# Key Statistics

- Patient Days (thru October) 12,153 (9% increase over last year)
  - Annualized 14,584
- Adjusted Patient Days (thru October) 17,832 (2% increase over last year)
  - Annualized 21,632
- ED Visits (thru Dec 17) 90,000
- Outpatient Visits 380,000 (9% increase over last year)
  - Primary Care 122,000 (4% decrease over last year)
  - Specialty Care 258,000 (13% increase over last year)

# Key Highlights

- Expansion of Key Programs
  - Anesthesia Residency Program (New program)
  - Vascular Surgery Fellowship (New program)
  - Plastic Surgery
  - Robotic Surgery
  - Cardiology & Cardiothoracic Surgery Programs
  - Integrated Community Health
  - Vascular Surgery
- Leadership Transition of CEO, COO, CNO
- Three successful labor contract negotiations
- US News and World Report Awards

# ARMC 2025 Federal & State Legislative Priorities



**Prepared for:**

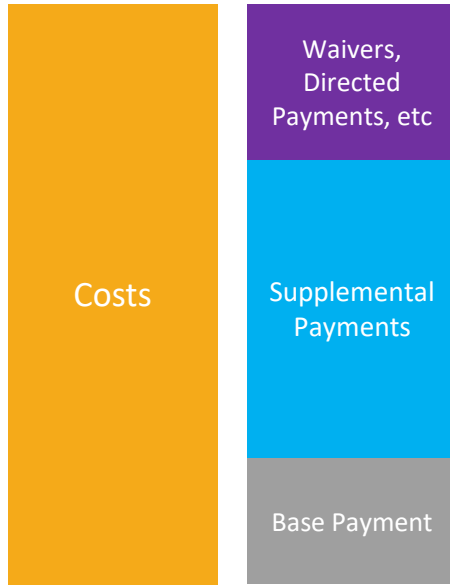
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# Public Health Systems in California



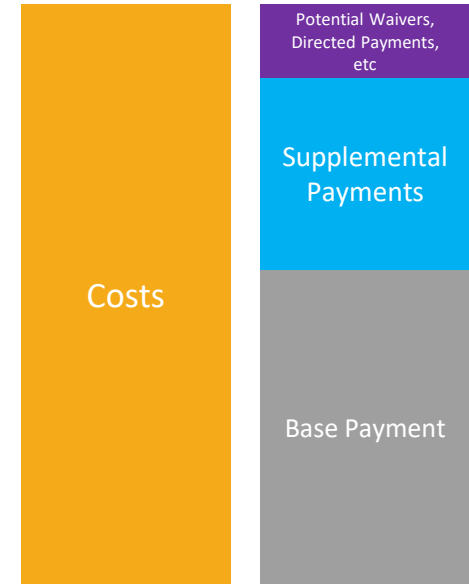
- 17 public hospital systems (inc. the UC's)  
Arrowhead Regional Medical Center is the designated Public Hospital for San Bernardino County
- Represent about 6% of the hospitals within the State; yet provide over 35% of all Medi-Cal beneficiaries and nearly half of the uninsured populations
- Train nearly half of all residents within the State
- Most Trauma and Burn Centers are within the public hospital setting (ARMC burn center for 4 Counties)
- Majority of patients are Medi-Cal or uninsured
- Higher cost of operations due to role within the healthcare ecosystem
  - Full Spectrum of Services

# High Level Public Hospital Financing



Public

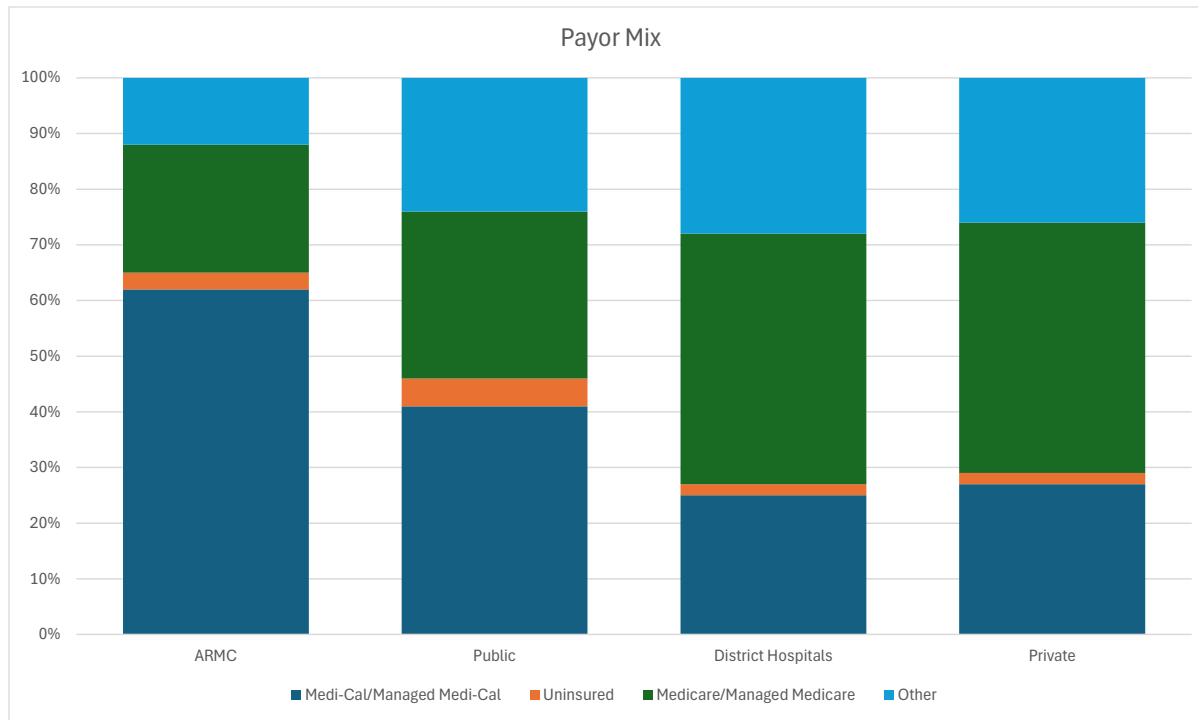
- Medi-Cal
  - Federal-State joint program with costs shared
- Medi-Cal Managed Programs (IEHP/Molina)
- Medicare
- Contracted Commercial Insurance
- Supplemental Programs
- Directed Payment Programs
- Other (Grants, etc.)



Private

Illustration Only

# Average Payor Mix within California (Base Payments)

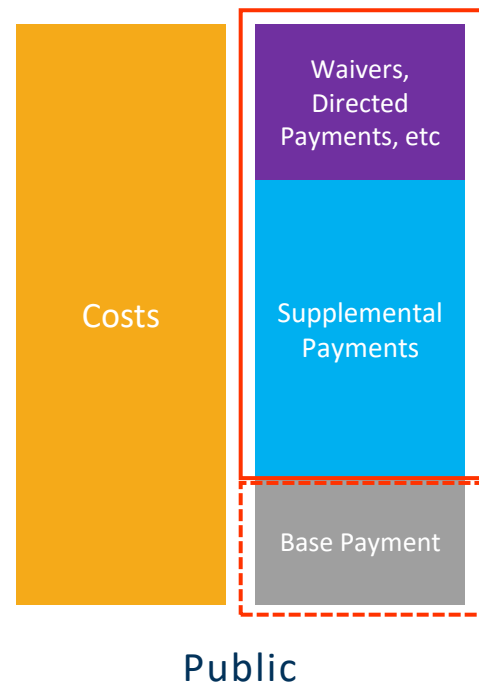


# ARMC Financial Legislative Priorities

Two major financial legislative priorities that ARMC is watching and advocating for in partnership with the *California Association of Public Hospitals and Health Systems* and the *America's Essential Hospitals*

- ❖ **Disproportionate Share Hospital (DSH) funding**
- ❖ **Federal Medical Assistance Percentage (FMAP)**

Additionally, we're watching the ACA and potential impacts to our Base Payments as a result in payor mix changes





# ARMC Financial Legislative Priorities

## Disproportionate Share Hospital (DSH) funding

- In California – Approx. \$1B with 98% going to the public hospitals
- Expanded program (tied to the 1115 CMS Waiver) called the Global Payment Program to expand DHS payments to include non-2-year services. Waiver is set to expire in the end of 2026
- Every year, this is threatened to be cut from the federal budget – looking for a 2-year extension

## Federal Medical Assistance Program (FMAP)

- Currently, the FMAP is set to 50% for traditional Medi-Cal members and 90% for expanded Medi-Cal members
- Proposed reduction in expansion from 90% to 40% for the expanded Medi-Cal members and from 50% to 40% for traditional Medi-Cal members
- This would affect ARMC's Supplemental Payments as well as Base Payments
- Targets: California, Connecticut, Massachusetts, New York and Wyoming

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