

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

**April 7, 2020**

**FROM**

**WILLIAM L. GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Mid-Year Appropriation and Revenue Budget Adjustments for Coronavirus Disease 2019 (COVID-19) Preparedness

**RECOMMENDATION(S)**

Authorize the Auditor-Controller/Treasurer/Tax Collector to post budget adjustments to increase appropriation and revenue for services and supplies in the amount of \$15,000,000 as detailed in the Financial Impact section due to expenses related to COVID-19 preparedness (Four Votes Required)

(Presenter: William L. Gilbert, Director, 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 these recommendations will not result in the use of Discretionary General Funding (Net County Cost). Arrowhead Regional Medical Center (ARMC) is requesting a budget adjustment in the amount of \$15,000,000 to cover expenditures for medical supplies and physician costs related to COVID-19 preparedness. The additional expenses associated with this item will be offset by increased revenue earned from the Managed Care Program, which provides for supplemental funding on a reimbursement basis through Medicare and Medicaid Services. This item authorizes the Auditor-Controller/Treasurer/Tax Collector to post the following adjustments to the 2019-20 budgets:

SAP Cost Center	SAP General Ledger	Description	Action	Amount
9110004200	40408865	State Revenue – Managed Care Program	Increase	\$15,000,000
9110004200	52004100	Other Medical Supplies	Increase	\$10,000,000
9110004200	52002442	Physician's Fees – A, S & T	Increase	\$5,000,000

**Mid-Year Appropriation and Revenue Budget Adjustments for  
Coronavirus Disease 2019 (COVID-19) Preparedness  
April 7, 2020**

**BACKGROUND INFORMATION**

ARMC is a state-of-the-art, acute care facility. ARMC offers the latest in patient care by providing a full range of inpatient and outpatient services, four off campus community health centers, behavioral health inpatient services and numerous specialty services. ARMC is fully accredited by the Centers for Medicare and Medicaid Services (CMS) and the Joint Commission (TJC).

ARMC has taken significant steps to prepare for public health impacts, particularly as the State of California and the County of San Bernardino have declared a State of Emergency due to COVID-19. These mid-year budget adjustments are needed to ensure ARMC is equipped with medical supplies and physician costs to treat any potential San Bernardino County patients who may test positive for COVID-19. ARMC has increased its supply inventory by up to 500% of normal operations due to COVID-19 preparedness and the need for increased protective equipment. Furthermore, costs have drastically increased by as much as 700% for medical supplies and personal protection equipment (PPE) due to a global shortage in production. ARMC has secured supplies and equipment, including but not limited to: surgical masks, PAPRS, face shields, N95 masks, HEPA filters, sanitation wipes, as well as modular buildings and furnishings for COVID-19 screenings. ARMC has also secured two Bio Fire FilmArray Torch Systems. The systems screen many common respiratory viruses and bacteria, thereby allowing the hospital to rule out COVID-19 as the cause of respiratory illnesses. Lastly, physician costs are expected to increase as they are attending more meetings and participating in related preparedness functions in addition to their normal duties.

Approval of this item will provide for the health and safety of County residents by ensuring the readiness of ARMC staff and facilities to treat any potential patients facing health crises, such as COVID-19, as the State of California and United States seeks to mitigate this public health issue.

**PROCUREMENT**

Not Applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Michael Markel, Counsel, 387-5289) on March 12, 2020; Auditor-Controller/Treasurer/Tax Collector (Erica Gomez, General Accounting Manager, 382-3196) on March 16, 2020; Finance (Amanda Trussell, Principal Administrative Analyst, 387-4773) on March 24, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on March 24, 2020.

**Mid-Year Appropriation and Revenue Budget Adjustments for  
Coronavirus Disease 2019 (COVID-19) Preparedness  
April 7, 2020**

Record of Action of the Board of Supervisors  
County of San Bernardino

**APPROVED (CONSENT CALENDAR)**

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: April 7, 2020



cc: File- Medical Center

la 04/8/2020