

# DEPARTMENT OF PUBLIC HEALTH

## SUPPLEMENTAL APPROPRIATION REQUEST

Board of Supervisors Budget and Finance Committee  
April 2, 2013

# Overview

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1. **Brief Review of Current Year Financial Projections**
2. **Overview of Supplemental Appropriation Request**
3. **BOS Budget Analyst Recommendations**

# Overview

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## DPH FY 2012-13 Budget

Revenues	Department Revenues	City General Fund Subsidy	Total
San Francisco General Hospital	\$ 585,122,020	150,701,229	\$ 735,823,249
Laguna Honda Hospital	\$ 137,964,937	67,034,764	\$ 204,999,701
Health at Home	\$ 2,654,631	3,841,726	\$ 6,496,357
Jail Health	\$ 409,321	28,421,892	\$ 28,831,213
Mental Health	\$ 201,169,244	41,991,610	\$ 243,160,854
Primary Care	\$ 26,724,250	51,021,436	\$ 77,745,686
Public Health	\$ 243,227,708	67,810,154	\$ 311,037,862
Substance Abuse	\$ 29,291,641	35,741,369	\$ 65,033,010
<b>Total</b>	<b>\$ 1,226,563,752</b>	<b>\$ 446,564,180</b>	<b>\$ 1,673,127,932</b>

36%

# What is Causing Deficits at DPH?

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## **DPH Faces a \$31.2M Current Year General Fund Deficit**

- Delayed federal approval of enhanced mental health reimbursement program (\$16.2M)
- Revenue weakness compared to expenses due in large part due to transition of seniors and persons with disabilities to managed care reimbursement (\$19M)
- Continued impact of historical “structural” imbalance between budgeted and actual expenditures

# Department of Public Health Financial Position

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Controller's 6-Month Report			
	REVENUES	EXPENDITURES	TOTAL
	Surplus/	Surplus/	Surplus/
Division	(Deficit)	(Deficit)	(Deficit)
Department of Public Health			
SFGH	\$ (23,971,000)	\$ (16,830,000)	\$ (40,801,000)
Laguna Honda	16,824,807	(11,008,549)	5,816,258
Primary Care	(5,821,000)	2,361,000	(3,460,000)
Health at Home	-	(865,000)	(865,000)
Jail Health	-	(1,389,000)	(1,389,000)
Public Health	646	6,182,545	6,183,191
Mental Health	(9,750,392)	(1,900,001)	(11,650,393)
Substance Abuse	(578)	300,001	299,423
TOTAL DPH	\$ (22,717,517)	\$ (23,149,003)	\$ (45,866,520)

# Department of Public Health Financial Position

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Updated Projection			
	REVENUES	EXPENDITURES	TOTAL
	Surplus/	Surplus/	Surplus/
Division	(Deficit)	(Deficit)	(Deficit)
Department of Public Health			
SFGH	\$ (23,971,000)	\$ (2,115,000)	\$ (26,086,000)
Laguna Honda	16,824,807	(11,008,549)	5,816,258
Primary Care	(5,821,000)	2,361,000	(3,460,000)
Health at Home	-	(865,000)	(865,000)
Jail Health	-	(1,389,000)	(1,389,000)
Public Health	646	6,182,545	6,183,191
Mental Health	(9,750,392)	(1,900,001)	(11,650,393)
Substance Abuse	(578)	300,001	299,423
TOTAL DPH	\$ (22,717,517)	\$ (8,434,003)	\$ (31,151,520)

# Department of Public Health Financial Position

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## **Improvement Since 6-Month Report Due to:**

- Salary and Benefit Spending (\$11.7M)
- Contracts and Non-Personnel Spending (\$3.8M)

# Supplemental Appropriation Request

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## Department of Public Health Supplemental Appropriation Request

### Sources

General Fund Reserve	\$4,314,849
City Reserve for State Revenue Loss	\$8,410,605
Community Mental Health Service	\$2,600,000
SFGH Revenues	\$6,504,000
LHH Revenues	\$16,860,000
Subtotal	\$38,689,454

### Uses De-Appropriation

General Fund Public Health Savings	\$4,689,546
Project Savings De-appropriation	\$2,700,000
Subtotal	\$7,389,546

Total \$46,079,000

### Uses

SFGH - Salaries and Benefits	\$35,070,000
LHH - Salaries and Benefits	\$8,095,000
LHH - Materials and Supplies	\$2,914,000
Total	\$46,079,000



# Potential Changes Prior to Year End

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## **Several potential changes could affect forecast by year end:**

- ❑ Prior-year Medi-Cal waiver settlement (timing uncertain; potential \$10M+ in revenue)
- ❑ IGT program to reimburse counties for lost revenue from transitioning seniors and persons with disabilities to managed care (timing uncertain; \$19M revenue)
- ❑ Updated revenue and collections forecasts at 9-Month Report

**Any “good news” would allow dollars appropriated through the supplemental to be returned to the General Fund**

# BOS Budget Analyst Recommendations

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- DPH is in agreement with the Budget and Legislative Analyst's Office recommendations to reduce the level of appropriation needed in the supplemental