



# San Francisco Department of Public Health

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FY 2022-23  
First Quarter Financial Report



# Highlights for Second Quarter Financials

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- Deficit projected for the current year, primarily due to reduced revenue at Laguna Honda due to lower census as a result of a pause in new admissions during the recertification process
- Figures in this report are preliminary and based on three months of actuals. Changes are likely over the course of the year due to
  - Laguna Honda recertification process
  - Hiring for over 400 new FTE added as part of the FY 2022-23 budget process
  - COVID Service Levels due to unforeseen surges
- COVID-19 Response project only reflects response costs, and no increased operating costs within SFHN operations
- Health at Home revenue and expenditures are now included under SFHN



# First Quarter Summary

First Quarter Report	Revenue			Expenditure			Total
	Revised	Current	Surplus/	Revised	Current	Surplus/	Surplus/
	Budget	Projection	(Deficit)	Budget	Projection	(Deficit)	(Deficit)
HGH - Zuckerberg SF General	\$ 1,107.7	\$ 1,111.7	\$ 4.0	\$ 1,107.5	\$ 1,116.5	\$ (9.1)	\$ (5.0)
HLH - Laguna Honda Hospital	\$ 214.5	\$ 190.6	\$ (23.9)	\$ 337.2	\$ 340.8	\$ (3.6)	\$ (27.6)
HBH - Behavioral Health	\$ 267.4	\$ 273.8	\$ 6.5	\$ 425.0	\$ 418.2	\$ 6.8	\$ 13.2
HPC - Primary Care	\$ 20.2	\$ 20.2	\$ -	\$ 153.1	\$ 152.6	\$ 0.5	\$ 0.5
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ -	\$ 42.3	\$ 41.4	\$ 0.8	\$ 0.8
HNS - Health Network including HAH	\$ 15.6	\$ 13.6	\$ (1.9)	\$ 189.7	\$ 187.3	\$ 2.4	\$ 0.5
HPH - Public Health Division	\$ 25.7	\$ 24.6	\$ (1.1)	\$ 112.0	\$ 110.3	\$ 1.7	\$ 0.6
HAD - Central Administration	\$ 44.4	\$ 44.4	\$ -	\$ 170.5	\$ 168.8	\$ 1.7	\$ 1.7
<b>Total Operating</b>	<b>1,695.7</b>	<b>1,679.3</b>	<b>(16.5)</b>	<b>2,537.1</b>	<b>2,536.0</b>	<b>1.1</b>	<b>(15.3)</b>

# Zuckerberg San Francisco General \$5 million deficit



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues - \$33.1 million favorable	
Net Patient Revenues (includes \$4 interim settlement)	\$4.0
Expenditures – \$9.1 million shortfall	
Salary and Fringe Benefits	(\$0.3)
Non-personnel Services	(\$3.8)
Materials and Supplies	(\$5.0)

# Laguna Honda Hospital

## \$27.6 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues	
Reduced Census since the beginning of fiscal year	(\$23.9)
Expenditures	
Salary and Fringe Benefits	\$3.9
Non-Personnel Services	(\$7.5)

# Behavioral Health

## \$13.2 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	(\$8.3)
2011 Realignment	\$14.0
Other State Revenue	(\$0.8)
Expenditures	
Salary and fringe benefits	\$3.0
Non-personnel Savings	\$3.8



# Primary Care: \$0.5 Million Surplus

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Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Expenditures	
Salary and fringe benefits	\$0.5



# Jail Health: \$0.8 million shortfall

Jail Health Services	FY 22-23 GF Favorable / (Unfavorable)
Expenditure	
Salary and Fringe Benefits	\$2.6
Non-personnel Services	(\$1.8)



# Health Network Services: \$0.5 million surplus



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues	
HSF Participant Fees	(\$1.7)
HCAO Fees	(\$0.3)
Expenditures	
Salary and fringe benefits	\$5.4
Non-personnel Services	(\$3.0)

# Population Health Division: \$0.6 million surplus

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Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	(\$1.1)
Expenditures	
Salary and fringe benefits	\$1.3
Sugar-sweetened Beverage Project	\$0.4

# Public Health Administration: \$1.7 M surplus

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Major Variances	22-23 GF Favorable / (Unfavorable)
Expenditures	
Salary and fringe benefits	\$1.7



# DPH Revenue Management Reserve

- Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance allows the deferral of DPH Revenue Management Reserve.
- Reserve is based on net Medi-Cal, Medicare and Patient Revenue and allows for up to 50% of surplus revenues to be deposited, up to a total of 5% of the two-year budgeted revenues.
- Estimated \$15.3 million withdrawal will be made at year end to balance shortfall, leaving \$108.6 million remaining in the reserve.

DPH Revenue Management Reserve as of Q1 2022-23					
Budgeted Revenues	Medi-Cal	Medicare	Patient Revenues	Less IGT	Annual total
FY 2022-23	1,061,266,522	191,432,968	122,869,166	(114,034,233)	1,262,120,134
FY 2023-24	1,019,131,750	188,379,336	123,446,637	(116,148,435)	<u>1,215,506,998</u>
			Total Revenues Over Two Years		2,477,627,132
			Starting Reserve Balance as of Q4 FY 22-23		123,881,357
			Q1 Expected Withdrawal		<u>(15,300,000)</u>
			Remaining Balance		108,581,357
Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues					4.38%



# COVID Response Project Budget

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<u>Branch</u>	<u>Revised Budget</u>	<u>Projection</u>	<u>Surplus/ (Deficit)</u>
CoVid OPS - Central Operations	8.1	7.5	0.5
CoVid OPS - SIP Hotels	-	1.7	(1.7)
CoVid OPS - Isolation & Quarantine Hotels	5.7	3.2	2.5
CoVid CDRU	4.0	2.4	1.5
CoVid OPS Community	19.7	19.6	-
CoVid PLN Epi & Surveillance	2.0	1.6	0.4
CoVid OPS Testing	16.3	16.0	0.3
CoVid OPS Vaccination	16.7	16.7	-
<b>Total</b>	<b>72.5</b>	<b>68.8</b>	<b>3.7</b>



# COVID Response Project Budget

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- \$3.7 million surplus projected, primarily due to the closeout of prior year encumbrances
  - \$2.5 million - Isolation and Quarantine Hotels
  - \$1.5 million – COVID Disease Response Unit
  - Savings offset by \$1.7 million shortfall in SIP hotels due to extension of services through the end of December 2022
- Projection assumes baseline level of services and does not include any service increases for revenue

# Questions

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Thank You