



San Francisco Department of Public Health

FY 2022-23
First Quarter Financial Report
September 2022



Highlights for Second Quarter Financials

- 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
Total Operating	1,695.7	1,679.3	(16.5)		2,537.1	2,536.0	1.1		(15.3)

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

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



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



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

<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	-
Total	72.5	68.8	3.7



COVID Response Project Budget

- \$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



Thank You