



San Francisco Department of Public Health

FY 2022-23
Second Quarter Financial Report
March 2023



Highlights for Second Quarter Financials

- Revenue deficit of 15.2 projected in FY 22-23 primarily due reduced census at Laguna Honda during the recertification process, partially offset by favorable revenues at ZSFG
- Expenditures across the department are expected overall on budget
 - ZSFG projected to be \$20.9 M overbudget due to inflationary costs, increased registry costs and increased census
 - LHH projected to be \$2.8 M overbudget due to recertification efforts
 - This overspending will be covered with savings in other areas of the department
- Figures in this report are preliminary and based on six 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. Currently 1.9% salary savings projected.
 - COVID Service Levels due to unforeseen surges



Second Quarter Summary

Second 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	\$ 1,123.2	\$ 15.5		\$ 1,109.4	\$ 1,130.3	\$ (20.9)		\$ (5.4)
HLH - Laguna Honda Hospital	\$ 214.5	\$ 188.9	\$ (25.6)		\$ 337.2	\$ 339.9	\$ (2.8)		\$ (28.4)
HBH - Behavioral Health	\$ 267.4	\$ 266.5	\$ (0.9)		\$ 415.9	\$ 404.8	\$ 11.0		\$ 10.2
HPC - Primary Care	\$ 20.2	\$ 20.6	\$ 0.4		\$ 153.1	\$ 151.1	\$ 1.9		\$ 2.3
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ -		\$ 42.3	\$ 41.5	\$ 0.8		\$ 0.8
HNS - Health Network including HAH	\$ 15.6	\$ 12.3	\$ (3.2)		\$ 189.8	\$ 187.2	\$ 2.5		\$ (0.7)
HPH - Public Health Division	\$ 25.7	\$ 24.2	\$ (1.5)		\$ 111.8	\$ 108.5	\$ 3.2		\$ 1.7
HAD - Central Administration	\$ 44.4	\$ 44.5	\$ 0.2		\$ 170.4	\$ 165.9	\$ 4.5		\$ 4.7
Total Operating	1,695.7	1,680.6	(15.2)		2,529.7	2,529.4	0.4		(14.8)

Zuckerberg San Francisco General

\$5.4 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$15.5 million favorable	
Net Patient Revenues	\$49.0
Global Payment Program for Uncompensated Care	(\$21.8)
Medi-Cal Managed Care Supplemental Revenue	(\$11.1)
Health Plan Capitation – Healthy Workers	\$10.3
Other Medi-Cal – Graduate Medical Education Program	\$3.4
340b Specialty Pharmacy Program	(\$14.4)
Expenditures – \$20.8 million shortfall	
Salary and Fringe Benefits	\$0.8
Non-personnel Services	(\$16.9)
Materials and Supplies	(\$5.5)
Services of Other Departments	\$0.7

Laguna Honda Hospital

\$28.4 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$25.6 million favorable	
Reduced Census since the beginning of fiscal year	(\$25.6)
Expenditures - \$2.8 million unfavorable	
Non-personnel Services	(\$4.5)
Services of other Departments	\$1.7

Behavioral Health

\$10.2 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$0.9 million favorable	
Patient Revenues	(\$14.2)
2011 Realignment	\$14.0
Other State Revenue	(\$0.7)
Expenditures - \$11 million unfavorable	
Salary and Fringe Benefits	\$7.1
Non-personnel Services	\$3.8



Primary Care: \$2.3 Million Surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenue - \$0.4 million favorable	
Patient Revenues	\$0.8
Capitation	(\$0.5)
Expenditures - \$1.9 million favorable	
Salary and Fringe Benefits	\$1.92
Non-personnel Services	\$0.02



Jail Health: \$0.8 million surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Expenditure - \$0.8 million savings	
Salary and Fringe Benefits	\$2.2
Non-personnel Services	(\$1.7)
Services of Other Departments	\$0.3

Health Network Services: \$0.7 million deficit



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$3.2 million shortfall	
Patient Revenues - HAH	\$0.6
HSF Participant Fees	(\$1.6)
CalAIM Enhanced Case Management	(\$2.0)
HCAO Fees	(\$0.2)
Expenditures - \$2.5 million favorable	
Salary and Fringe Benefits	\$5.5
Non-personnel Services	(\$3.0)

Population Health Division: \$1.7 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$1.5 million unfavorable	
Patient Revenues	(\$1.5)
Expenditures - \$3.2 million favorable	
Salary and Fringe Benefits	\$3.2

Public Health Administration: \$4.7 M surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenue	
Vital Records Fees	\$0.2
Expenditures	
Salary and Fringe Benefits	\$4.5



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 \$14.8 million withdrawal will be made at year end to balance shortfall, leaving \$109 million remaining in the reserve.

DPH Revenue Management Reserve as of Q2 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)	1,215,506,998
			Total Revenues Over Two Years		2,477,627,132
			Starting Reserve Balance as of Q4 FY 22-23		123,881,357
			Estimated Withdrawal at Year End		(14,800,000)
			Remaining Balance		109,081,357
			Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues		4.40%



COVID Response Project Budget

<u>Branch</u>	<u>Revised Budget</u>	<u>Projection</u>	<u>Surplus/ (Deficit)</u>
CoVid OPS DOC	9.5	9.7	(0.2)
CoVid OPS SIP & I&Q	5.1	4.4	0.7
CoVid CDRU	4.0	4.0	(0.0)
CoVid OPS Community	19.7	18.0	1.7
CoVid PLN Epi & Surveillance	2.0	1.6	0.4
CoVid OPS Testing	16.3	15.5	0.8
CoVid OPS Vaccination	17.3	15.6	1.7
Total	73.8	68.8	5.0



COVID Response Project Budget

- \$5.0 million surplus projected, primarily due to the closeout of prior year encumbrances
 - \$0.7 million projected surplus in the Shelter in Place (SIP) and Isolation and Quarantine Hotels (I&Q) from close out of FY 2021-22 encumbrances for operations
 - \$1.7 million projected savings in the Community project from a reduction in projected expenditure
 - \$1.7 million projected savings in vaccination based on current vaccination trends.
 - \$0.8 million projected savings in test based on current testing trends.
- Projection assumes baseline level of services and does not include any service increases for revenue

Questions



Thank You