



San Francisco Department of Public Health

FY 2022-23

Fourth Quarter Financial Report

November 2023



Year End Summary

Fourth Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 1,092.1	\$ 1,147.1	\$ 55.0	\$ 1,129.0	\$ 1,127.2	\$ 1.8	\$ 56.8
HLH - Laguna Honda Hospital	\$ 215.7	\$ 221.2	\$ 5.4	\$ 346.0	\$ 344.0	\$ 2.1	\$ 7.5
HBH - Behavioral Health	\$ 267.4	\$ 285.6	\$ 18.3	\$ 377.3	\$ 372.7	\$ 4.6	\$ 22.9
HPC - Primary Care	\$ 20.2	\$ 16.3	\$ (3.9)	\$ 143.1	\$ 141.6	\$ 1.5	\$ (2.4)
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ -	\$ 38.3	\$ 38.2	\$ 0.2	\$ 0.2
HNS - Health Network including HAH	\$ 15.6	\$ 15.7	\$ 0.2	\$ 170.5	\$ 160.6	\$ 9.8	\$ 10.0
HPH - Public Health Division	\$ 25.7	\$ 22.4	\$ (3.2)	\$ 97.9	\$ 93.2	\$ 4.7	\$ 1.5
HAD - Central Administration	\$ 46.0	\$ 45.5	\$ (0.5)	\$ 161.8	\$ 155.6	\$ 6.2	\$ 5.7
Total Operating	1,683.1	1,754.3	71.2	2,463.9	2,433.0	30.9	102.1
<i>Less Revenue Assumed As Part of FY 23-25 Budget</i>			<i>(21.2)</i>	<i>savings as part of FY 23-25 Budget</i>			<i>(10.8)</i>
			50.0			20.1	70.1
				Less Deposit to Management Reserve			(6.4)
				Expected Year End Surplus/(Deficit)			63.7



Highlights for Fourth Quarter Financials:

\$70.1 M overall surplus

- \$50 M total revenue
- \$20.1 million expenditure savings

These balances exclude two items assumed as part of budget and does not generate additional savings:

- \$21.2 million of one-time settlement for Graduate Medical Education Program
- 10.8 million of expenditure savings due primarily to budget initiative to leverage interest income for Healthcare Security Ordinance administration fees

Actuals reflect transfers as follows:

- 33.5 million ZSFG due to inflationary costs, increased registry costs and increased census.
- 24.1 million to support registry and recertification efforts



Highlights for Fourth Quarter Financials:

Comparison to Third Quarter

- \$70.1 M surplus is an improvement of \$76.9 M compared to Third Quarter
 - Revenue - \$68 M increase
 - ZSFG - \$28.2 M EPP, \$6.7 M QIP, \$7.2 Rate Range due to settlement of lawsuit, \$9.6 M in other areas
 - LHH - \$27.8 M due to FY 21-22 cost report settlement
 - BH - \$14.8 M due to prior year settlements
 - \$9 M in additional expenditure savings across all divisions, under budget

Zuckerberg San Francisco General

\$56.9 million surplus



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$55 million favorable	
Net Patient Revenues – FFS Conversion and PY Settlements	\$90.5
Medi-Cal Waiver – GPP (\$30.5 M and Prior Year Settlements -\$38.0 M)	(\$67)
Medi-Cal Managed Care Supplemental Revenue	\$7.0
Other Medi-Cal – GME Program & PHE Enhanced FMAP	\$22.8
Healthy Workers Capitation Fees	\$9.9
340b Specialty Pharmacy Program	(\$8.3)
Expenditures – \$1.9 million savings	
Salary and Fringe Benefits	\$0.9
Non-personnel Services	(\$0.3)
Materials and Supplies	\$0.1
Services of Other Departments and Debt Service	\$1.2

Laguna Honda Hospital \$7.5 million surplus



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$5.4 million favorable	
Reduced census offset by prior year savings	\$5.4
Expenditures - \$2.06 million favorable	
Salary and Fringe Benefits – retiree subsidy savings	\$1.7
Non-personnel Services	\$0.2
Materials & Supplies	\$0.04
Services of other Departments	\$0.2

Behavioral Health

\$22.9 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$18.3 million favorable	
Patient Revenues – Drug MC shortfall \$8.2 offset by SDMC \$3M	(\$3.9)
BH Quality Improvement Program	(\$0.4)
2011 Realignment	\$16.0
Other State Revenue – Prior Year Claims	\$6.6
Expenditures - \$4.6 million favorable	
Salary and Fringe Benefits	\$3.2
Non-personnel Services and materials and supplies	\$1.4



Primary Care: \$2.4 Million Surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenue - \$3.9 million unfavorable	
Patient Revenues – \$1.2 M CalAIM to WPIC	(\$4.6)
Capitation Revenue – Healthy Worker’s	\$0.7
Expenditures - \$1.5 million favorable	
Salary and Fringe Benefits	\$1.5



Jail Health: \$0.2 million surplus

Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Expenditure - \$1.3 million savings	
Salary and Fringe Benefits	\$0.4
Non-personnel Services	(\$0.3)

Health Network Services: \$10 million savings



Major Variances	FY 22-23 GF Favorable / (Unfavorable)
Revenues - \$0.2 million favorable	
Patient Revenues	\$1.7
County Based Medi-Cal Administrative Activities	(\$0.9)
HSF Participant Fees	(\$1.6)
Health at Home capitation	\$0.4
Health Care Accountability Fees	(\$0.2)
MCAH California Children Services (CSS) admin	0.8
Expenditures - \$9.8 million favorable	
Salary and Fringe Benefits	\$1.2
Non-personnel Services, (Including HSCO Budget Init)	\$8.6

Population Health Division: \$1.5 million surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenues - \$3.2 million unfavorable	
Patient Revenues	(\$2.0)
Environmental Health and Lab Fees	(\$1.0)
Agriculture State contracts	(\$0.2)
Expenditures - \$4.7 million favorable	
Salary and Fringe Benefits	\$3.2
Non-personnel Services	\$0.3
Interdepartmental Services	\$1.1

Public Health Administration: \$5.7 M surplus



Major Variances	22-23 GF Favorable / (Unfavorable)
Revenue - \$0.5 million unfavorable	
Vital Records Fees	\$0.3
County Based Medi-Cal Administrative Activities	(\$0.8)
Expenditures - \$6.2 million favorable	
Salary and Fringe Benefits	\$2.8
Non-personnel services	\$0.6
Interdepartmental services (CSA work order)	\$0.5
IT Project budget	\$2.3



COVID Response Project Budget

<u>Branch</u>	<u>Revised Budget</u>	<u>Projection</u>	<u>Inventory Adjustment</u>	<u>Surplus/ (Deficit)</u>
CoVid OPS DOC	19.7	17.3	(4.4)	6.9
CoVid OPS SIP & I&Q	1.9	1.9		-
CoVid CDRU	4.3	4.3		-
CoVid OPS Community	13.4	10.2		3.3
CoVid PLN Epi & Surveillance	0.7	0.7		-
CoVid OPS Testing	14.5	13.6		0.9
CoVid OPS Vaccination	15.3	15.3		-
Total	69.9	63.3	(4.4)	11.0



COVID Response Project Budget

- \$11 million surplus at year end
- Balances and the project will be closed out by the Controller's Office.

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CoVid OPS Testing	14.5	13.6		0.9
CoVid OPS Vaccination	15.3	15.3		-
Total	69.9	63.3	(4.4)	11.0



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 \$6.9 million withdrawal will be made at year end to balance shortfall, leaving \$117 million remaining in the reserve.

DPH Revenue Management Reserve as of Q3 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
			Estimated Withdrawal at Year End		<u>(6,900,000)</u>
			Remaining Balance		116,981,357
			Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues		4.72%

Questions



Thank You