



San Francisco Department of Public Health

FY 2023-24
Second Quarter Financial Report
February 2024



Second Quarter Summary

Second Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 1,119.3	\$ 1,197.3	\$ 78.0	\$ 1,173.4	\$ 1,186.3	\$ (12.9)	\$ 65.1
HLH - Laguna Honda Hospital	\$ 220.0	\$ 220.0	\$ -	\$ 337.2	\$ 352.4	\$ (15.3)	\$ (15.3)
HBH - Behavioral Health	\$ 277.1	\$ 287.6	\$ 10.6	\$ 400.2	\$ 389.6	\$ 10.5	\$ 21.1
HPC - Primary Care	\$ 63.2	\$ 71.0	\$ 7.8	\$ 137.6	\$ 130.8	\$ 6.9	\$ 14.7
HJH - Jail Health	\$ 0.7	\$ 0.7	\$ -	\$ 44.4	\$ 43.2	\$ 1.2	\$ 1.2
HNS - Health Network including HAH	\$ 18.9	\$ 15.9	\$ (3.0)	\$ 193.8	\$ 191.1	\$ 2.7	\$ (0.4)
HPH - Public Health Division	\$ 28.4	\$ 26.7	\$ (1.8)	\$ 111.7	\$ 101.3	\$ 10.4	\$ 8.7
HAD - DPH Operations	\$ 43.6	\$ 41.7	\$ (2.0)	\$ 177.8	\$ 172.9	\$ 4.9	\$ 3.0
Total Operating	1,771.2	1,860.8	89.6	2,576.1	2,567.6	8.4	98.1
Less Savings Per Mid Year Instruction			(23.0)			(7.8)	(30.8)
			66.6			0.6	67.3
			Surplus/Deficit			0.6	67.3



Highlights for Second Quarter Financials

- Figures in this report are preliminary and based on six months of actuals
- No reporting on COVID-19 Costs as all expense are incorporated into operations and/or stepped down
- Improvement of \$69.4 million compared to the First Quarter Report
- Balances reflect Mayor's Office Mid-Year reductions as instructed in October and finalized in December 2023 which totaled \$30.8 million



Highlights for Second Quarter Financials

Zuckerberg San Francisco General

- \$78 M of higher than budgeted revenue
 - ~\$30 M one time and ~\$48 M ongoing
 - This projection was used as basis for February submission
- \$13.1 million of transfers to ZSFG to offset costs increases due to inflationary costs, increased registry costs and increased census.

Laguna Honda Hospital

- No projection on Laguna Honda Revenues are provided pending additional information regarding recertification and the State's changes to the Distinct Part Nursing Facility is received
- LHH is projected to be \$15.3 million over budget due recertification efforts ⁴

Zuckerberg San Francisco General

\$65.1 million surplus



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues - \$78 million favorable	
Net Patient Revenues	\$45.9
Medi-Cal Waiver Settlement for DSH and SNCP	\$10.6
Managed Care Supplementals – Rate Range and QIP	\$20.4
Capitation Revenue – due to OON	(\$1.8)
Graduate Medical Education Program	\$15.1
340 B revenue, pending specialty Rx contract	(\$12.2)
Expenditures – \$12.9 million shortfall	
Salary and Fringe Benefits	(\$5.8)
Non-personnel Services	(\$7.0)
Materials and Supplies	(\$4.0)
Services of Other Departments	\$3.6
Annual Projects – PitStops provided by DPW	(\$0.5)

Laguna Honda Hospital \$15.3 million deficit



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Expenditures	
Salary and Fringe Benefits	\$4.1
Non-Personnel Services	(\$21.2)
Materials & Supplies	\$3.4
Services of Other Departments	(\$1.6)

Behavioral Health

\$21.1 million surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues - \$10.6 surplus	
Patient Revenues	\$9.5
2011 Realignment	\$0.8
BHQIP	(\$0.2)
Healthy Workers	\$0.4
Expenditures - \$10.5 million savings	
Salary and fringe benefits	\$10.9
Workers Comp work order	(\$0.4)



Primary Care: \$14.7 Million Surplus

Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues - \$7.8 million surplus	
Patient Revenues	(\$1.0)
Managed Care Supplemental Revenue - QIP	\$10.7
Capitation	(\$1.9)
Expenditures	
Salary and fringe benefits	\$6.9



Jail Health: \$1.2 million shortfall

Jail Health Services	FY 23-24 GF Favorable / (Unfavorable)
Expenditure	
Salary and Fringe Benefits	\$2.5
Non-personnel Services	(\$1.5)
Services of Other Departments	0.2

Population Health Division: \$8.6 million surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	(\$1.8)
Expenditures	
Salary and fringe benefits (including \$3.4 M shift to grants).	\$10.4

Health Network Services: \$0.2 million deficit



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues	
Patient revenues - ECM	(\$2.4)
HSF Participant Fees	(\$0.9)
HCAO Fees	\$0.2
CMAA	(\$1.0)
California Children's Services	\$1.0
Expenditures	
Salary and fringe benefits	\$2.5
Non-personnel Services	\$0.4

Public Health Operations: \$2.9 M surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues	
CMAA	(\$2.0)
Expenditures	
Salary and Fringe	\$2.5
IT Project	\$2.8
Workers Comp work order	(0.4)



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.
- Release of one-time revenues in Q1 to recognize earlier than expected payment for budgeted revenues brings current balance to the current cap of the reserve.

DPH Revenue Management Reserve as of Q2 2023-24					
Budgeted Revenues	Medi-Cal	Medicare	Patient Revenues	Less IGT	Annual total
FY 2023-24	1,087,602,660	199,402,460	139,139,121	(106,796,804)	1,319,347,437
FY 2024-25	1,051,591,061	201,113,563	139,221,531	(105,619,445)	<u>1,286,306,710</u>
			Total Revenues Over Two Years		2,605,654,147
			Starting Reserve Balance as of Q4 FY 22-23		151,495,966
			Q1 Release of GME Settlements Assumed as Part of FY 23-25 Budget		<u>(21,213,259)</u>
				Ending Balance	130,282,707
Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues					5.00%

Questions



Thank You