



# San Francisco Department of Public Health

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FY 2023-24  
Third Quarter Financial Report  
May 2024



# Third Quarter Summary

Third Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 1,110.5	\$ 1,230.2	\$ 119.7	\$ 1,180.7	\$ 1,190.2	\$ (9.5)	\$ 110.2
HLH - Laguna Honda Hospital	\$ 220.0	\$ 167.6	\$ (52.5)	\$ 347.3	\$ 347.8	\$ (0.5)	\$ (52.9)
HBH - Behavioral Health	\$ 277.1	\$ 307.0	\$ 30.0	\$ 396.4	\$ 386.3	\$ 10.1	\$ 40.1
HPC - Primary Care	\$ 63.2	\$ 72.2	\$ 9.1	\$ 133.3	\$ 131.6	\$ 1.7	\$ 10.8
HJH - Jail Health	\$ 0.7	\$ 0.7	\$ -	\$ 44.5	\$ 43.3	\$ 1.2	\$ 1.2
HNS - Health Network including HAH	\$ 18.9	\$ 18.9	\$ 0.0	\$ 194.5	\$ 193.0	\$ 1.5	\$ 1.5
HPH - Public Health Division	\$ 28.4	\$ 25.2	\$ (3.2)	\$ 103.2	\$ 97.4	\$ 5.8	\$ 2.5
HAD - DPH Operations	\$ 43.6	\$ 42.2	\$ (1.4)	\$ 178.3	\$ 169.5	\$ 8.8	\$ 7.3
<b>Total Operating</b>	<b>1,762.4</b>	<b>1,864.0</b>	<b>101.6</b>	<b>2,578.2</b>	<b>2,559.1</b>	<b>19.1</b>	<b>120.7</b>
<b>Less Savings Per Mid Year Instruction</b>			<b>(23.0)</b>			<b>(7.8)</b>	<b>(30.8)</b>
			<b>78.6</b>			<b>11.3</b>	<b>89.9</b>
			<b>Surplus/Deficit</b>				



# Highlights for Third Quarter Financials

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- Figures in this report are preliminary and based on nine months of actuals
- Balances reflect Mayor's Office Mid-Year reductions as instructed in October and finalized in December 2023 which totaled \$31 million
- Improvement of \$22.7 million compared to the Second Quarter Report
  - \$12 M due to net revenue
  - \$10 M in expenditures due to one-time savings in debt service and close outs
- Behavioral Health Revenue is \$30 million higher than budgeted
  - Due primarily to



# Highlights for Third Quarter Financials

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## Zuckerberg San Francisco General

- \$119.7 M of higher than budgeted revenue
  - Two thirds (~\$78.6 M) one time and one-third (~\$41.1 M) ongoing
- \$20.1 million of transfers to ZSFG to offset costs increases due to inflationary costs, increased registry costs and increased census

## Laguna Honda Hospital

- \$52.4 M revenue shortfall due to reduced census.
  - Projection does not include State changes to DP/NF supplemental payment reallocation
- \$10.1 million transfers to offset costs at LHH due recertification efforts

# Zuckerberg San Francisco General: \$110.2 million surplus



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues - \$119.7 million favorable	
Net Patient Revenues	\$79.3
GPP & Medi-Cal Waiver Settlement for DSH and SNCP	\$17.8
Managed Care Supplementals – Rate Range and QIP	\$18.6
Capitation Revenue – due to OON	(\$4.3)
Other Medi-Cal- Graduate Medical Education Program One-time	\$19.8
340 B revenue, pending specialty Rx contract	(\$11.6)
Expenditures – \$9.5 million shortfall	
Salary and Fringe Benefits	\$0
Non-personnel Services	(\$8.0)
Materials and Supplies	(\$4.5)
Services of Other Departments	\$3.6
Annual Projects – PitStops provided by DPW	(\$0.5)

# Laguna Honda Hospital: \$52.9 million deficit



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues	
Patient Revenue	(\$52.5)
Expenditures	
Salary and Fringe Benefits	\$4.4
Non-Personnel Services	(\$5.6)
Materials & Supplies	\$0.3
Services of Other Departments	\$0.5

# Behavioral Health: \$40.1 million surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues - \$30 million surplus	
Patient Revenues	\$21.5
Drug-Medi-Cal – One-Time Settlement	\$6.9
2011 Realignment	\$0.9
Healthy Workers/ERMHS	\$0.6
Expenditures - \$10.1 million savings	
Salary and fringe benefits	\$5.4
Contracts – release of prior year carryforward	\$4.4
Materials and Supplies (Rx)	\$0.6
Workers Comp work order	(\$0.3)

# Primary Care: \$10.8 million surplus



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues - \$9.1 million surplus	
Patient Revenues	\$0.2
Managed Care Supplemental Revenue - QIP	\$10.7
Capitation	(\$1.9)
Expenditures - \$1.7 million savings	
Salary and fringe benefits	\$1.7



# Jail Health: \$1.2 million surplus



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

# Health Network Services: \$1.5 million surplus



Major Variances	FY 23-24 GF Favorable / (Unfavorable)
Revenues – no total variance	
Patient Revenues	\$0.5
Medi-Cal Administrative Activities	(\$1.0)
Healthy San Francisco Revenues	(\$0.7)
Fee Revenue (HCAO and one-time settlement)	\$0.5
Other State – California Children’s Services	\$0.7
Expenditures – 1.5 million savings	
Salary and fringe benefits	\$1.9
Non-personnel Services	(\$0.4)

# Population Health Division: \$2.6 million surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues - \$3.2 million deficit	
Patient Revenues	(\$1.8)
Permits, Licenses, & Fees	(\$1.7)
CMAA	0.3
Expenditures - \$5.8 million savings	
Salary and fringe benefits	\$2.5
Contracts	\$1.9
Materials and Supplies	\$1.0
Reinvestment Initiative Project	\$0.5

# Public Health Operations: \$7.3 million surplus



Major Variances	23-24 GF Favorable / (Unfavorable)
Revenues - \$1.5 million deficit	
CMAA	(\$1.5)
Expenditures - \$8.8 million savings	
Salaries and Fringes	\$1.3
Contracts	\$0.7
Debt Service	\$6.1
IT and Security Project	\$1.0
Workers Comp work order	(0.3)



# 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 Q3 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)	1,286,306,710
			Total Revenues Over Two Years		2,605,654,147
			Reserve Balance as of Q2 FY 22-23		130,282,707
Reserve balance as a percentage of Two year Medi-Cal, Medicare and Patient Revenues					5.00%

# Questions

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Thank You