



# San Francisco Department of Public Health

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FY 2020-21  
Second Quarter Financial Report  
March 2021



# Highlights for Second Quarter Financials

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- Figures in this report are preliminary and based on only 6 months of actuals. Significant changes are possible over the course of the fiscal year.
- Budget and Projections of New COVID-19 managed by the City's Central COVID Command response costs are not reflected



# 2nd Quarter Summary

DPH is projected to end FY 2021-22 net **\$60.6 million** General Fund surplus, primarily due to favorable one-time, prior year revenue sources.

DPH Summary (\$ Millions)							
Second Quarter	Revenue			Expenditure			Total
	Revised	Current	Surplus/	Revised	Current	Surplus/	Surplus/
	Budget	Projection	(Deficit)	Budget	Projection	(Deficit)	(Deficit)
HGH - Zuckerberg SF General	\$ 977.5	\$ 986.6	\$ 9.1	\$ 1,249.2	\$ 1,251.0	\$ (1.8)	\$ 7.4
HLH- Laguna Honda Hospital	\$ 206.2	\$ 206.2	\$ -	\$ 307.9	\$ 304.3	\$ 3.5	\$ 3.5
HPC - Primary Care	\$ 18.9	\$ 18.9	\$ -	\$ 114.4	\$ 82.4	\$ 32.0	\$ 32.0
HBH - Behavioral Health	\$ 204.3	\$ 241.7	\$ 37.4	\$ 381.1	\$ 368.1	\$ 13.0	\$ 50.5
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ 0.0	\$ 40.3	\$ 39.8	\$ 0.6	\$ 0.6
HHH - Home Health	\$ 2.4	\$ 2.4	\$ -	\$ 8.7	\$ 8.7	\$ -	\$ -
HNS - Health Network	\$ 54.5	\$ 17.0	\$ (37.5)	\$ 156.4	\$ 145.4	\$ 11.0	\$ (26.5)
HPH - Public Health Division	\$ 89.2	\$ 85.4	\$ (3.8)	\$ 330.0	\$ 320.3	\$ 9.7	\$ 5.8
HAD - Central Administration	\$ 34.2	\$ 36.5	\$ 2.3	\$ 185.3	\$ 251.9	\$ (66.6)	\$ (64.3)
<b>Total Operating</b>	<b>1,587.5</b>	<b>1,595.0</b>	<b>7.5</b>	<b>2,773.2</b>	<b>2,771.9</b>	<b>1.4</b>	<b>8.9</b>
						Release of ZSFG Deferred Revenues	\$ 51.7
						<b>Total Surplus/Deficit</b>	<b>\$ 60.60</b>

# Change in Reporting of Operating Personnel costs deployed to COVID-19 response

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The costs of existing operating staff that are activated for COVID response, are now reflected under the Public Health Administration Division

- Tracks the level of operating support to serve as potential match or reimbursements from eligible sources
- Reassignments are consistent with the assumptions for FY 20-21 budget
- Allows for more accurate cost reporting of existing divisions

# Overall DPH is expected to be on Budget for Salary and Fringe



FY 2020-21 DPH Salary and Fringe Projections (in Millions)			
Division	Revised Budget	Projection	Variance
Public Health Administration	81.5	148.1	(66.6)
Zuckerberg San Francisco General	592.8	590.0	2.8
Laguna Honda	228.2	224.6	3.5
Primary Care	93.2	61.1	32.0
Behavioral Health	117.8	110.1	7.6
Jail Health	30.8	30.2	0.6
Health at Home	8.0	8.0	(0.0)
Health Network Services	71.1	60.1	11.0
Population Health	47.6	37.9	9.7
Projected Surplus/Deficit	1,270.9	1,270.3	0.6

Projections may vary over the course of the year depending on the actual level of deployments



# 2nd Quarter Financial Report

## Public Health Administration: \$64.3 million surplus

Major Variances	20-21 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Administrative Activities	\$1.7
Prior Year Settlements	\$0.6
Expenditures	
Salary and Fringe Benefits (offset by savings in other divisions)	(\$66.6)



# 2nd Quarter Financial Report

## ZSFG: \$7.4 million surplus

Major Variances	FY 19-20 GF Favorable / (Unfavorable)
Revenues	
Net Patient Revenues	\$9.1
Expenditures	
Salary and Fringe Benefits	\$2.8
Non-Personnel Expenditures	(\$5.0)
Materials and Supplies	(\$0.4)

In addition to operating variances, ZSFG division reflects \$51.7 of surplus revenues as a result of release of reserves for the delay of Federal Disproportionate Share Hospital (DSH) Reductions



# 2nd Quarter Financial Report

## Laguna Honda: \$3.5 million surplus

Major Variances	FY 20-21 GF Favorable / (Unfavorable)
Expenditure - Salary and Fringe Benefits	\$3.5

## Primary Care: \$32.0 million deficit

Expenditure - Salary and Fringe Benefits	FY 20-21 GF Favorable / (Unfavorable)
Expenditure - Salary and Fringe Benefits	\$32.0





# 2nd Quarter Financial Report

## Behavioral Health: \$50.1 million surplus

Major Variances	20-21 GF Favorable / (Unfavorable)
Revenues	
Short Doyle Medi-Cal	\$8.6
Release of Revenues Due to Prior Year Reconciliation	\$28.9
Expenditures	
Salary and Fringe Benefits	\$13.0



# 2nd Quarter Financial Report

## Jail Health Services: minimal variances

Major Variances	20-21 GF Favorable / (Unfavorable)
Expenditures - Salary and Fringe Benefits and Services of Other Departments	\$0.6

## Health at Home Division: minimal variances

Major Variances	20-21 GF Favorable / (Unfavorable)
No significant variances to report	n/a



# 2nd Quarter Financial Report

## Health Network Services: \$26.5 million deficit

Major Variances	20-21 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Administrative Activities/Targeted Case Management	\$0.2
HSF Patient & Employer Fees	(\$11.0)
City Option Funds Disbursements	(\$26.6)
Expenditures	
Salary and Fringe Benefits	\$11.0



# 2nd Quarter Financial Report

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## Population Health Division: \$5.8 million surplus

Major Variances	20-21 GF Favorable / (Unfavorable)
Revenues – Patient Revenues	(\$2.4)
Revenues - Fees, Fines, Licenses	(\$1.5)
Expenditures - Salary and Fringe Benefits and Services of Other Departments	\$9.7



# Other Comments

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- DPH projected balance is assumed in the adopted budget for FY 2020-21 and applied to offset 5-Year Financial Plan projected deficit.
- Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance management reserve
  - Released \$51.7 million of prior year reserves due to the delay in Federal Disproportionate Share Hospital reduction
  - Current balance of \$59.5 million



# COVID Response Project Budget

Department - Project	Revised Budget				6-Month Projection				Projected Surplus/Shortfall			
	Expenditures	FEMA	Grants/ Special Revenue	General Fund	Expenditures	FEMA	Grants/ Special Revenue	General Fund	Expenditures	FEMA	Grants/ Special Revenue	General Fund
FY 2019-20 Increased FEMA Reimbursement									-		1.8	18.7
DEM - COVID Command, Joint Info & Oth.	16.9	7.7	-	9.2	19.5	17.5	-	2.0	2.6	9.8		7.1
DEM/DPH - Vaccination	-	-	-	-	6.6	6.6	-	-	6.6	6.6		-
DPH - Isolation & Quarantine	18.5	8.3	-	10.2	32.4	20.8	-	11.6	13.9	12.5		(1.4)
DPH - PPE & Scarce Resources	74.6	-	-	74.6	47.0	8.0	-	39.0	(27.6)	8.0		35.6
DPH - Testing	59.7	28.0	-	31.8	76.0	50.7	-	25.3	16.3	22.7		6.4
DPH - CARES Provider Relief Fund	44.9	44.9	-	-	44.9	64.8	-	(19.9)	-	19.9		19.9
DPH - All Other	117.9	41.9	7.0	69.0	128.5	65.4	7.0	56.1	10.6	23.5		12.9
DPW - Expanded Pit Stops & Oth.	17.5	8.0	-	9.5	14.2	4.6	-	9.6	(3.3)	(3.4)		(0.1)
HOM - SIP Hotels	200.8	113.9	83.4	3.5	238.1	196.9	41.2	-	37.3	83.0	42.2	3.5
HOM - RVs, Shelter & Safe Sleeping	52.7	20.3	28.0	4.4	37.2	6.1	28.0	3.1	(15.6)	(14.3)		1.3
HOM - Medical Support, Staffing, Oth.	9.5	7.3	0.4	1.8	4.1	1.9	0.4	1.7	(5.4)	(5.4)		0.0
HSA - Feeding	58.8	15.3	3.6	39.9	76.9	28.8	2.2	45.9	18.1	13.5		(6.0)
<b>Subtotal</b>	<b>671.9</b>	<b>295.7</b>	<b>122.4</b>	<b>253.8</b>	<b>725.3</b>	<b>472.0</b>	<b>78.8</b>	<b>174.5</b>	<b>53.4</b>	<b>176.3</b>	<b>44.1</b>	<b>97.9</b>
<i>Reserve for FEMA Claim Disallowance</i>											(19.7)	(20.6)
<i>Available for Continuing COVID Response</i>											<b>24.4</b>	<b>77.3</b>



# COVID Response Project Budget

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- Project controlled at the Citywide Level – these variances are not reflected in our report
- Overall the Controller projects \$77.3 million balance that can be available for future spending
- Significant increases in FEMA revenue reimbursement levels due to
  - Biden Administration's order to FEMA to reimburse 100% of eligible costs (as compared to the 75% reimbursement rate previously in place)
  - Increase expenditures that are eligible for reimbursement
- Expenditures are projected to be above budget by \$53.4 million, but offset by revenues
  - Increased rate effective retroactively to January 2020 through September 2021
  - A portion of this revenue will be reserved for potential claim disallowances



# COVID Response Project Budget

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Most significant expenditure variances are due to:

- Vaccinations –
  - Current projected spend of \$6.6 million this year
  - Projections are very preliminary and will change over the next few months
- Personal Protective Equipment (PPE)
  - Significant acquisitions/purchase encumbrances in 19-20 with increased FEMA reimbursement
  - the revised budget of \$74.6 million for PPE citywide is expected to be underspent by \$34.7 million.
- Winter Surge Costs
  - Isolation and Quarantine Costs addition of another site to increase costs by \$13.9 million over budget
  - Hospital capacity – ZSFG and LHH are projected to be \$17.8 million
  - These expenditures increases are offset by increased federal reimbursement
  - Projections reflected increases in costs as a result of the winter surge, but subject to updates over the course of the year



# Questions

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Thank You