



# San Francisco Department of Public Health

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FY 2021-22  
Second Quarter Financial Report  
December 2022



# Highlights for Second Quarter Financials

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- No significant variances expenditure or revenue projected at this time
- Figures in this report are preliminary and based on six months of actuals. Changes are possible over the course of the year, particularly with respect to COVID cost reporting
- Operating funds does not include COVID-19 Response project which is reported separately



# Second Quarter Summary

Second Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/(Deficit)	Revised Budget	Current Projection	Surplus/(Deficit)	
HGH - Zuckerberg SF General	\$ 997.3	\$ 1,030.4	\$ 33.1	\$ 1,028.6	\$ 1,038.3	\$ (9.7)	\$ 23.4
HLH - Laguna Honda Hospital	\$ 206.1	\$ 212.8	\$ 6.7	\$ 308.6	\$ 299.4	\$ 9.2	\$ 15.9
HBH - Behavioral Health	\$ 224.0	\$ 251.9	\$ 27.9	\$ 377.6	\$ 376.2	\$ 1.4	\$ 29.4
HPC - Primary Care	\$ 18.5	\$ 17.8	\$ (0.7)	\$ 129.4	\$ 129.8	\$ (0.4)	\$ (1.1)
HJH - Jail Health	\$ 0.4	\$ 0.4	\$ -	\$ 39.5	\$ 38.5	\$ 1.0	\$ 1.0
HHH - Home Health	\$ 2.3	\$ 3.1	\$ 0.8	\$ 9.2	\$ 9.0	\$ 0.1	\$ 0.9
HNS - Health Network	\$ 31.5	\$ 10.4	\$ (21.1)	\$ 172.4	\$ 170.5	\$ 1.9	\$ (19.3)
HPH - Public Health Division	\$ 26.6	\$ 22.7	\$ (4.0)	\$ 99.2	\$ 99.3	\$ (0.2)	\$ (4.2)
HAD - Central Administration	\$ 39.8	\$ 38.3	\$ (1.4)	\$ 156.6	\$ 157.9	\$ (1.3)	\$ (2.7)
<b>Total Operating</b>	<b>1,546.4</b>	<b>1,587.6</b>	<b>41.3</b>	<b>2,321.1</b>	<b>2,319.0</b>	<b>2.1</b>	<b>43.4</b>
				<i>Less Revenue Surplus Deposit to Management Reserve</i>			(9.2)
						<b>Net Surplus/(Deficit)</b>	<b>34.1</b>

# Zuckerberg San Francisco General

## \$23.4 million surplus



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues - \$33.1 million favorable	
Net Patient Revenues (includes \$15.8 potential settlement)	\$12.0
Global Payment Plan	\$16.1
Quality Incentive Program (QIP)	\$6.2
Pharmacy Revenues (Specialty and 340B)	\$3.8
Graduate Medical Education Program (GME)	\$3.6
Capitation	(\$8.4)
Expenditures – \$9.7 million shortfall*	
Salary and Fringe Benefits	(\$3.2)
Non-personnel Services	(\$1.8)
Interdepartmental Workorders for Workers Comp, City Atty, PUC & Controller	(\$4.7)
*Continued reconciliation of COVID Costs, may change this projection in future reports	

# Laguna Honda Hospital \$15.9 million surplus



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Per Diem SNF Rates)	\$6.7
Expenditures*	
Salary and Fringe Benefits	\$6.9
Materials and Supplies Savings	\$3.0
Interdepartmental Workorder for Workers Comp/PUC	(\$0.8)
*Continued reconciliation of COVID Costs, may change this projection in future reports	

# Behavioral Health \$29.4 million surplus



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	\$11.4
2011 Realignment	\$17.0
Other State Revenue (Federal Financial Participation recognized as SD Medi-Cal Above)	(\$0.9)
Behavioral Health Quality Incentive Program under CalAIM	\$0.4
Expenditures	
Salary and fringe benefits	(\$1.9)
Nonpersonnel Savings	\$3.3



# Primary Care: \$1.2 Million Surplus

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Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenue	
Patient Revenues	(\$0.7)
Expenditures	
Salary and fringe benefits	(\$0.5)



# Jail Health: \$1.0 million shortfall

## Health at Home: \$0.6 million surplus

Jail Health Services	FY 21-22 GF Favorable / (Unfavorable)
Expenditure	
Salary and Fringe Benefits	(\$1.2)
Materials and Supplies Savings	\$1.1
Nonpersonnel Services	\$1.1
Health at Home	21-22 GF Favorable / (Unfavorable)
Patient Revenue	\$0.8
Salaries and fringe benefits	\$0.1



# Health Network Services: \$19.3 million shortfall



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues	
HSF Patient & Employer Fees	(\$14.5)
City Option Funds Disbursements	(\$6.0)
Medi-Cal Administrative Activities Billing	(\$0.6)
Expenditures	
Salary and fringe benefits	\$0.9
Nonpersonnel Services	\$1.0

# Population Health Division: \$4.2 million shortfall



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	(\$2.4)
Environmental Health Fees	(\$1.6)
Expenditures	
Salary and fringe benefits	\$0.8
Materials and Supplies	(\$1.0)

# Public Health Administration: \$2.8 M shortfall



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Administrative Activities	(\$1.5)
Expenditures	
Salary and fringe benefits	(\$1.3)



# 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.
- With the second quarter surpluses, the reserve is fully funded

DPH Revenue Management Reserve as of Q2 2021-22					
Budgeted Revenues	Medi-Cal	Medicare	Patient Revenues	Less IGT	Annual total
21-22	933,070,146	163,838,477	143,467,856	(89,491,155)	1,150,885,324
22-23	895,154,928	168,125,980	143,833,827	(92,557,601)	<u>1,114,557,134</u>
			Total Revenues Over Two Years		2,265,442,458
			Reserve Balance as of Q4 FY 20-21		104,050,638
				FY 21-22 Q1 Deposit	4,850,000
				FY 21-22 Q2 Deposit	4,371,485
				Current Reserve Balance	113,272,123
			Reserve as a percentage of Two year Medi-Cal, Medicare and Patient Revenues		5.00%



# COVID Response Project Budget

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<u>Branch</u>	<u>Revised Budget</u>	<u>Projection</u>	<u>Surplus/ (Deficit)</u>
CoVid OPS DOC	14.8	15.0	(0.3)
CoVid OPS SIP Hotels	5.3	6.3	(1.1)
CoVid OPS I&Q	9.6	17.0	(7.4)
CoVid CDRU	19.3	16.4	2.9
CoVid OPS Community	28.6	26.1	2.4
CoVid PLN Epi & Surveillance	4.2	2.8	1.4
CoVid OPS Testing	28.2	33.4	(5.2)
CoVid OPS Vaccination	20.1	21.6	(1.4)
CoVid DOP HL Response	5.7	5.3	0.4
CoVid DOP HGH Response	24.9	28.9	(4.0)
	<b>160.6</b>	<b>172.8</b>	<b>(12.2)</b>



# COVID Response Project Budget

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- Surges in part drove much of the projected overages.
- Will work with Mayor and Controller's Office to balance costs, likely with increased FEMA or other increased revenues
- Projections may change with reconciliation of operating costs at hospitals.
- Significant variances include
  - Isolation and Quarantine Hotels – expansion of rooms
  - Testing – increased demand, primarily during Omicron surge
  - ZSFG Operating costs – due to increase need for staffing during surge

# Questions

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Thank You