



San Francisco Department of Public Health

FY 2020-21
Fourth Quarter Financial Report
December 2021



Highlights for Fourth Quarter Financials

This report reflects several adjustments directed by Controller's Office to align with reporting guidelines for COVID-19 reporting guidelines. Two significant changes include:

1. Realignment of \$67.7 million of CARES Provider relief funds into operating funds
 - \$44.5 million of budgeted revenue from nonoperating funds and \$22.8 million in new revenue to align with our claim plan primarily in operating funds
2. Realigned salary and fringe budgets within operating to match actuals for disaster service workers (DSWs)
 - Salary and personnel costs for DSW continue to be recorded in Public Health Division
 - This realignment balances out the significant positive and negative variances reported in previous reports



Fourth Quarter Summary

DPH is will end FY 2020-21 net \$135.7 million more positive primarily due to favorable one-time, prior year revenue sources.

| DPH Fourth Quarter Financials | Revenue | | | Expenditure | | | Total |
|-------------------------------|----------------|--------------------|--------------------|----------------|--------------------|--------------------------------------------------|--------------------|
| | Revised Budget | Current Projection | Surplus/ (Deficit) | Revised Budget | Current Projection | Surplus/ (Deficit) | Surplus/ (Deficit) |
| HAD - Central Administration | \$ 55.8 | \$ 58.4 | \$ 2.6 | \$ 191.9 | \$ 192.0 | \$ (0.1) | \$ 2.6 |
| HBH - Behavioral Health | \$ 189.6 | \$ 248.6 | \$ 59.0 | \$ 349.6 | \$ 349.6 | \$ - | \$ 59.0 |
| HGH - Zuckerberg SF General | \$ 1,009.5 | \$ 1,056.8 | \$ 47.3 | \$ 1,138.8 | \$ 1,137.4 | \$ 1.4 | \$ 48.7 |
| HHH - Home Health | \$ 2.4 | \$ 3.5 | \$ 1.1 | \$ 8.7 | \$ 8.6 | \$ 0.1 | \$ 1.1 |
| HJH - Jail Health | \$ 0.6 | \$ 0.6 | \$ 0.0 | \$ 37.1 | \$ 37.7 | \$ (0.6) | \$ (0.6) |
| HLH- Laguna Honda Hospital | \$ 226.8 | \$ 250.5 | \$ 23.7 | \$ 296.4 | \$ 296.4 | \$ - | \$ 23.7 |
| HNS - Health Network | \$ 54.6 | \$ 18.2 | \$ (36.5) | \$ 137.8 | \$ 137.8 | \$ - | \$ (36.5) |
| HPC - Primary Care | \$ 20.7 | \$ 21.3 | \$ 0.5 | \$ 74.9 | \$ 74.9 | \$ 0.0 | \$ 0.5 |
| HPH - Public Health Division | \$ 64.0 | \$ 50.4 | \$ (13.6) | \$ 306.0 | \$ 306.0 | \$ (0.0) | \$ (13.6) |
| Total Operating | 1,623.9 | 1,708.2 | 84.3 | 2,541.2 | 2,540.4 | 0.8 | 85.0 |
| | | | | | | Release of ZSFG Deferred Revenues | \$ 51.7 |
| | | | | | | Less deposit into DPH Revenue Management Reserve | \$ (44.6) |
| | | | | | | Total Surplus/Deficit | \$ 136.7 |

Public Health Administration: \$2.6 M surplus



| Major Variances | 20-21 GF Favorable / (Unfavorable) |
|------------------------------------|------------------------------------------|
| Revenues | |
| Medi-Cal Administrative Activities | \$1.7 |
| Prior Year Settlements | \$0.6 |
| Fee Revenue | \$0.3 |
| | |

Zuckerberg San Francisco General

\$48.7 million surplus



| Major Variances | FY 20-21 GF Favorable / (Unfavorable) |
|----------------------------------------------------------------------------------|---------------------------------------|
| Revenues | |
| Net Patient Revenues | \$75.0 |
| Other Quality Incentive Program to PRIME and Prior Year settlements not received | (\$45.5) |
| Capitation | (\$2.2) |
| Other Medi-Cal MAA, GME, Hospital Quality & 340b | \$21.9 |
| Expenditures | |
| Salary and Fringe Benefits | \$2.3 |
| Facilities and debt service | \$1.9 |
| Contracts and material and supplies | (\$3.2) |

Laguna Honda Hospital \$23.7 million surplus



| Major Variances | FY 20-21 GF Favorable / (Unfavorable) |
|------------------------------------------------------------------------------------------|---------------------------------------------|
| Revenue | |
| Medi-Cal Per Diem Rates and prior year Distinct Part / Nursing Facilities settlements | \$23.5 |
| Fees related to cafeteria and parking | \$0.2 |
| | |

Behavioral Health \$59 million Surplus



| Major Variances | 20-21 GF Favorable / (Unfavorable) |
|------------------------------------------------------|------------------------------------------|
| Revenues | |
| Short Doyle Medi-Cal | \$26.7 |
| Release of Revenues Due to Prior Year Reconciliation | \$32.0 |
| Substance Use Prevention and Treatment (SAPT) | \$1.4 |
| 2011 Realignment | \$1.7 |



Primary Care: \$0.5 Million Surplus

| | FY 20-21 GF Favorable / (Unfavorable) |
|---------------------|---------------------------------------------|
| Revenue | |
| Patient Revenues | \$1.2 |
| Capitation | (\$0.4) |
| Other State Revenue | (\$0.3) |



Jail Health: \$0.6 Million Surplus

Health at Home: \$0.8 Million Surplus

| Jail Health Services | FY 20-21 GF Favorable / (Unfavorable) |
|------------------------|---------------------------------------|
| Expenditure | |
| Materials and Supplies | \$0.6 |

| Health at Home | 20-21 GF Favorable / (Unfavorable) |
|------------------|------------------------------------|
| Capitation | \$0.3 |
| Patient Revenues | \$0.6 |

Health Network Services: \$36.4 million shortfall



| Major Variances | 20-21 GF Favorable / (Unfavorable) |
|---------------------------------|---------------------------------------|
| Revenues | |
| HSF Patient & Employer Fees | (\$12.0) |
| City Option Funds Disbursements | (\$24.3) |

Population Health Division: \$13.6 million shortfall



| Major Variances | 20-21 GF Favorable / (Unfavorable) |
|-----------------------------------------------------------------------------|------------------------------------------|
| Revenues | |
| Patient Revenues | (\$2.6) |
| Fees, Fines, Licenses – reduce collections in EHS | (\$5.3) |
| Shift of In-Kind revenue to COVID Project to align with the asset donation. | (\$5.7) |



DPH Revenue Management Reserve

- Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance allows the deferral of DPH Revenue Management Reserve.
- Starting with the Fourth Quarter of FY 20-21 calculation of the reserve will be based off of Medi-Cal, Medicare and Patient Revenue
- Allows for 50% of surplus revenues to be deposited, up to a total of 5% of the two year budgeted revenues

| DPH Revenue Management Reserve as of Q4 2020-21 | | | | | |
|-------------------------------------------------|-------------|-------------|-----------------------------------------------------------------------------|--------------|----------------------|
| 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 Q3 FY 20-21 | | 59,450,638 |
| | | | FY 20-21 Q4 Deposit | | <u>44,600,000</u> |
| | | | Current Reserve Balance | | 104,050,638 |
| | | | Reserve as a percentage of Two year Medi-Cal, Medicare and Patient Revenues | | 4.59% |



COVID Response Project Budget

| | Revised Budget | Expenses | Surplus/(Deficit) |
|-----------------------------------------------|-----------------|-----------------|-------------------|
| Medical Services | \$ 28.4 | \$ 19.5 | \$ 8.9 |
| Info & Guidance | \$ 1.7 | \$ 1.6 | \$ 0.1 |
| Contact Tracing & Case Investigation | \$ 9.6 | \$ 5.5 | \$ 4.1 |
| Community Services | \$ 25.9 | \$ 31.8 | \$ (5.8) |
| Testing | \$ 61.5 | \$ 72.4 | \$ (10.8) |
| Vaccination | \$ 22.4 | \$ 6.8 | \$ 15.6 |
| Alternate Care Sites | \$ 14.3 | \$ 19.1 | \$ (4.8) |
| Isolation & Quarantine | \$ 6.3 | \$ 15.9 | \$ (9.6) |
| Planning | \$ 0.3 | \$ 1.1 | \$ (0.8) |
| PPE & Scarce Resources | \$ 45.2 | \$ 28.4 | \$ 16.8 |
| Finance | \$ 2.1 | \$ 0.1 | \$ 2.0 |
| Laguna Operational Response | \$ 10.9 | \$ 10.0 | \$ 0.8 |
| ZSFG Operational Response | \$ 37.1 | \$ 31.8 | \$ 5.3 |
| Total | \$ 265.7 | \$ 244.0 | |
| <i>Available for FY22 Carryforward</i> | | | \$ 21.7 |



COVID Response Project Budget

DPH will end the year with \$21.7 million surplus. This balance, along with other balances assumed as part of the Controller's nine-month report was assumed to rollover as part of the FY 21-21 COVID Budget for DPH.

Significant variances

- Medical Services - Saving due to functions supported by disaster service worker deployments rather than new staff.
- Vaccination - Savings due to a high level of in-kind staffing support from state contractors deployed at SFHN vaccine sites and slightly lower than expected costs at contracted vaccine sites.
- Isolation & Quarantine - The budget assumed two I&Q sites but COVID-19 response and procurement challenges required supporting 5 different sites at different points during FY2020-21.
- Personal Protective Equipment (PPE) – Actuals reflect only PPE used or distributed to end users by June 30th, 2021.

Questions



Thank You