



San Francisco Department of Public Health

FY 2021-22
Third Quarter Financial Report
May 2022



Highlights for Third Quarter Financials

- No significant variances expenditure projected at this time, with above budget revenue projected primarily from one-time sources
- Figures in this report are preliminary and based on nine months of actuals.
- The positive balance projected in this report will be applied to offset the City's projected General Fund deficit
- Operating funds does not include COVID-19 Response project which is reported separately
- Note this projection does not assume the potential loss of Medicare reimbursement revenue at Laguna Honda Hospital.
 - Projections in this report assume a lower reimbursement amount due to no new admissions to LHH for the remainder of the year, but that extension of Medicare funding is successful, but that if it is not, DPH will backfill the current fiscal year revenue loss with its Revenue Management Reserve.



Current Year Revenue Changes

- \$85 M of the surplus is related to one-time revenue increases
- Several mid-year policy changes resulted in significant one-time increases for FY 2021-22
 - \$26.4 M for the extension of enhanced Federal Medical Assistance Percentage under the Public Health Emergency
 - \$8 M Behavioral Health
 - \$3.4 M LHH
 - \$15 M ZSFG
 - \$40.7 M - One-time threshold change under the Global Payment Program
 - \$8.4 M one-time State General Fund Grant for public health care systems
 - \$9.4 M one-time prior year settlement

Zuckerberg San Francisco General

\$69.6 million surplus



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues - \$82.9 million favorable	
Net Patient Revenues	\$27.5
Global Payment Plan	\$34.7
Quality Incentive Program (QIP)	\$6.9
Other State Funding (including one-time State Grant \$8.4 M)	\$11.4
Graduate Medical Education Program (GME)	\$8.9
Capitation	(\$6.6)
Expenditures – \$13.3 million shortfall*	
Salary and Fringe Benefits	(\$5.9)
Materials and Supplies	(\$6.3)
Interdepartmental Workorders for City Atty, PUC & Controller	(\$1.1)

Laguna Honda Hospital \$18.4 million surplus



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Per Diem SNF Rates	\$11.3
Expenditures*	
Salary and Fringe Benefits	\$4.6
Materials and Supplies Savings	\$2.5

Behavioral Health

\$49.2 million surplus



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Patient Revenues	\$29.7
- \$19.9 M SD Medi-Cal Billing (including \$8 M FMAP)	
- \$0.5 M in Medicare Revenues	
- 9.4 M in one-time prior year settlements	
2011 Realignment	\$17.0
Other State Revenue (patient revenues above)	(\$1.1)
Behavioral Health Quality Incentive Program under CalAIM	\$0.4
Expenditures	
Salary and fringe benefits	\$2.8
Nonpersonnel Savings	\$0.3



Primary Care: \$4.7 Million Surplus

Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenue	
Medi-Cal and Medicare	(\$1.8)
Prior Year Settlements	(\$5.5)
Patient Revenues	\$0.9
Capitation	(\$0.1)
Expenditures	
Salary and fringe benefits	\$1.9
Materials and Supplies	(\$0.2)



Jail Health: \$0.01 million shortfall

Health at Home: \$1.1 million surplus

Jail Health Services	FY 21-22 GF Favorable / (Unfavorable)
Expenditure	
Salary and Fringe Benefits	\$0.1
Nonpersonnel Services	(\$0.3)
Interdepartmental Workorders	\$0.2

Health at Home	21-22 GF Favorable / (Unfavorable)
Patient Revenue	\$0.7
Salaries and fringe benefits	\$0.4

Health Network Services: \$14.0 million shortfall



Major Variances	FY 21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Administrative Activities Billing	(\$0.6)
HSF Patient & Employer Fees	(\$16)
City Option Funds Disbursements	(\$6.0)
Health Plan Settlements	(\$0.2)
Fees and Licenses	(\$0.4)
Expenditures	
Salary and fringe benefits	\$3.9
Nonpersonnel Services	\$5.3

Population Health Division: \$2.5 million shortfall



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal	(\$0.9)
Medicare	\$0.2
Patient Revenues	(\$1.7)
Environmental Health Fees	(\$2.0)
Expenditures	
Salary and fringe benefits	\$2.0

Public Health Administration: \$1.2 M surplus



Major Variances	21-22 GF Favorable / (Unfavorable)
Revenues	
Medi-Cal Administrative Activities	(\$1.4)
Expenditures	
Salary and fringe benefits	\$0.6
Delay in Debt Service Payment	\$2.0



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

Branch	Revised Budget	Projection	Surplus/ (Deficit)
CoVid OPS DOC	12.2	13.1	(0.8)
CoVid OPS SIP Hotels	3.1	3.6	(0.6)
CoVid OPS I&Q	8.7	14.6	(5.9)
CoVid CDRU	21.1	16.6	4.5
CoVid OPS Community	29.6	27.1	2.5
CoVid PLN Epi & Surveillance	3.4	1.1	2.2
CoVid OPS Testing	28.5	39.3	(10.9)
CoVid OPS Vaccination	25.4	25.4	(0.0)
CoVid DOP Amb. Care Response	0.6	0.6	-
CoVid DOP HL Response	5.7	6.4	(0.7)
CoVid DOP HGH Response	24.9	25.1	(0.1)
Total	163.1	172.9	(9.8)



COVID Response Project Budget

- Surges in part drove much of the projected overages.
- 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
 - Epi & Surveillance – savings due to allocation of costs to state grant and delays in hiring
 - ZSFG Operating costs – due to increase need for staffing during surge

Questions



Thank You