

DEPARTMENT OF PUBLIC HEALTH

FY 14-15 & 15-16 BUDGET

April 15, 2014

New Challenges for DPH

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While DPH no longer faces an immediate structural spending deficit and major reduction targets, the Affordable Care Act creates new challenges for DPH

To avoid returning to financial imbalance, DPH must create sustainable system of care that retains members by

- ▣ Becoming a provider of choice
- ▣ Increasing access to high quality care
- ▣ Providing services cost effectively
- ▣ Improve Populatin Health

FY 14-16 Proposed Budget

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Use modest revenue growth to meet target and invest in strategic initiatives focused on the following goals:

- Improve access to primary care, specialty, and mental health services to retain and expand SFHN's client base.
- Support the Rebuild and opening of the New SFGH
- Strengthen core information technology infrastructure supporting clinical operations and security measures, while leveraging investments by the City Department of Technology.
- Ensure a strong public health system that is coordinated with the San Francisco Health Network.

FY14-16 New Initiatives - Sources

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	14-15 FTE Change	14-15 Net GF Cost/ (Savings)	15-16 FTE Change	15-16 Net GF Cost/ (Savings)
REVENUES				
A1 - SFGH Baseline Growth		(17,650,034)		(16,800,368)
A2 - LHH Baseline Growth		(14,083,696)		(14,083,696)
A3 - PH and PC Revenues	0.77	2,109,346	1.00	2,239,761
Subtotal Revenues	0.77	(29,624,384)	1.00	(28,644,303)
Not included - State Realignment "Claw Back"		33,800,000		33,800,000
REDUCTIONS				
B1 - SFGH Salary and Affiliation Agreement Savings		<u>(5,284,383)</u>		<u>(5,721,178)</u>
Total Sources		(34,908,767)		(34,365,481)

FY14-16 Initiatives - Neutral

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	14-15 FTE Change	14-15 Net GF Cost/ (Savings)	15-16 FTE Change	15-16 Net GF Cost/ (Savings)
E6 - Behavioral Health Services Supported by 2011 Realignment	6.93	-	9.00	-
E7 - Maternal Child Health Funding Adjustment	3.96	-	4.86	-
E8 - LHH Rehab and Home Health Workflow Improvements	1.54	-	2.00	-
E9 - New SF Health Network Clinic	9.63	-	12.50	-
E10 - Specialty and Ancillary Medical Services Expansion	-	-	-	-
E11 - Adult Medical Center Transitions/Patient Safety Pharmacist	0.77	-	1.00	-
E12 - Fiscal Intermediary Conversions	<u>5.39</u>	-	<u>7.00</u>	-
Total Budget Neutral	28.22	-	36.36	-

FY14-16 New Initiatives - Needs

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	14-15 FTE Change	14-15 Net GF Cost/ (Savings)	15-16 FTE Change	Net GF Cost/ (Savings)
F3 - SF Health Network Call Center	7.54	1,465,061	13.50	1,572,996
F4 - Security Enhancements for IT	3.08	428,364	4.00	716,191
F5 - Clinical Informaticists	3.08	417,300	4.50	745,465
F6 - Telehealth Support and Upgrade	2.31	122,727	3.00	316,180
F7 - Information Technology Infrastructure	7.18	1,549,383	10.33	2,212,904
F8 - DPH Human Resources Enhancements	2.31	266,522	5.00	653,779
F9 - Placement Structural Correction		2,000,000		2,000,000
F10 - Affordable Care Act Readiness for Ambulatory Care	<u>4.09</u>	<u>429,328</u>	<u>5.19</u>	<u>1,183,669</u>
Total Emerging Needs	29.59	7,745,388	45.52	9,401,184

FY14-16 Budget Summary

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Reduction Target	14-15	15-16	2 year (Savings)/ Surplus
1.5% Ongoing	(8,200,000)	(8,200,000)	
1% Year 2	-	(5,470,000)	
1% Contingency Year 2	-	-	
GF Target Reduction	(8,200,000)	(13,670,000)	(21,870,000)
DPH Proposed Budget			
Revenue	(29,624,384)	(28,644,303)	
Reductions	(5,284,383)	(5,721,178)	
Inflationary	-	2,672,218	
Regulatory	3,828,786	3,262,997	
Budget Neutral	-	-	
Emerging Needs	7,745,388	37,360,774	
(Savings)/(Cost)	(23,334,593)	8,930,508	(14,404,085)
Shortfall over 2 years, not including Realignment "claw back" of \$33.8 million each year and contingency reductions			(7,465,915)

Other Changes Affecting DPH's Budget

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- Community Programs Reduction approved in last years budget process of \$8.8 M in FY 14-15 annualizing to \$17.7 M in FY 15-16 remains in the budget
- HIV Funding Reductions – Pending final award, but projected at \$3 M
- Estimated \$33.8 M in State Realignment reductions

Next Steps

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- May 5th– Second Health Commission Budget Hearing
- May 6th – Hearing on DPH’s budget at Budget and Finance Committee
- June 1 – Mayor’s Budget Submission
- June – Board of Supervisors Budget (BOS) Hearings
- June 27 – BOS Budget and Finance Committee approves amended budget
- Mid-July – Final BOS approval of Budget