DEPARTMENT OF PUBLIC HEALTH

FY 16-18 BUDGET

February 2, 2016
FY 16-18 Proposed Budget

February 2

- Review of financial outlook and budget instructions
- Goals and strategies for FY 16-18 Budget
- Baseline revenue initiatives including Medi-Cal 1115 Waiver
- Proposal to meet Target

February 16

- Additional initiatives to achieve key departmental priorities
- Revenue-neutral and regulatory initiatives
- Update on Electronic Health Records initiative
DPH 16-17 Base Budget $2.071B

San Francisco General Hospital $853,378,010
Laguna Honda Hospital $255,279,660
Public Health $463,600,435
Mental Health $291,041,175
Primary Care $95,277,670
Substance Abuse $73,384,000
Jail Health $31,774,802
Health at Home $7,342,971
DPH 16-17 Base Budget Expenses by Type

Salaries & Fringe Benefits: $1,039,303,222
Non-Personnel Services: $776,054,924
Materials & Supplies: $118,483,700
Services of Other Depts: $101,025,366
Facilities Maint & Capital Including Debt Service: $22,974,394
Equipment: $13,237,726
DPH Leverages Revenue to Offset General Fund

San Francisco General Hospital
Health at Home
Jail Health
Laguna Honda Hospital
Mental Health
Primary Care
Public Health
Substance Abuse

Revenues
City General Fund Subsidy
### 16-17 Base Budget Grows by $37M

<table>
<thead>
<tr>
<th>Division</th>
<th>FY 15-16 Final Approved</th>
<th>FY 16-17 Base Budget</th>
<th>Growth</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco General Hospital</td>
<td>850,227,248</td>
<td>853,378,010</td>
<td>3,150,762</td>
<td>0.4%</td>
</tr>
<tr>
<td>Health at Home</td>
<td>7,267,271</td>
<td>7,342,971</td>
<td>75,700</td>
<td>1.0%</td>
</tr>
<tr>
<td>Jail Health</td>
<td>31,435,122</td>
<td>31,774,802</td>
<td>339,680</td>
<td>1.1%</td>
</tr>
<tr>
<td>Laguna Honda Hospital</td>
<td>248,708,348</td>
<td>255,279,660</td>
<td>6,571,312</td>
<td>2.6%</td>
</tr>
<tr>
<td>Mental Health</td>
<td>289,470,684</td>
<td>291,041,175</td>
<td>1,570,491</td>
<td>0.5%</td>
</tr>
<tr>
<td>Primary Care</td>
<td>90,009,525</td>
<td>95,277,679</td>
<td>5,268,154</td>
<td>5.9%</td>
</tr>
<tr>
<td>Public Health</td>
<td>441,484,867</td>
<td>463,600,435</td>
<td>22,115,568</td>
<td>5.0%</td>
</tr>
<tr>
<td>Substance Abuse</td>
<td>75,394,324</td>
<td>73,384,600</td>
<td>(2,009,724)</td>
<td>-2.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,033,997,389</td>
<td>$2,071,079,332</td>
<td>$37,081,943</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Note: Substance Abuse’s FY15-16 Budget included $2.6 million of one-time construction costs related to the New Medical Respite Program which were not needed in FY 16-17 Budget.
Position Changes in 16-17 Base Budget

<table>
<thead>
<tr>
<th>Division</th>
<th>Final Approved 15-16 FTEs</th>
<th>Base 16-17 FTEs</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco General Hospital</td>
<td>3,059.59</td>
<td>3,110.02</td>
<td>50.43</td>
</tr>
<tr>
<td>Health at Home</td>
<td>44.93</td>
<td>44.92</td>
<td>-</td>
</tr>
<tr>
<td>Jail Health</td>
<td>140.43</td>
<td>142.32</td>
<td>1.89</td>
</tr>
<tr>
<td>Laguna Honda Hospital</td>
<td>1,342.90</td>
<td>1,351.55</td>
<td>8.65</td>
</tr>
<tr>
<td>Mental Health</td>
<td>586.55</td>
<td>592.19</td>
<td>5.64</td>
</tr>
<tr>
<td>Primary Care</td>
<td>545.04</td>
<td>569.31</td>
<td>24.27</td>
</tr>
<tr>
<td>Public Health</td>
<td>889.66</td>
<td>964.56</td>
<td>74.90</td>
</tr>
<tr>
<td>Substance Abuse</td>
<td>62.90</td>
<td>63.56</td>
<td>0.66</td>
</tr>
</tbody>
</table>

Total 6,672.00  6,838.43  166.43
City’s FY16-18 Financial Outlook

- The City’s revenues continue to grow at 9.5%, but expenditures are projected to grow at 21%.

- City facing growing $99.8 and $240.2 M deficits for FY 16-17 and FY 17-18, respectively

- City departments are instructed to reduce their GF growth by 1.5% in each year for a total of 3%. For DPH, this is a $9.6 M reduction target in FY 16-17 and $19.2 M in 17-18.
Since 1900, average length of time between recessions has been 46 months. The current economic expansion has lasted over 76 months.

If no recession through FY20, it will mark the longest economic expansion since 1900.
DPH’s 16-18 Budget Priorities

- Developing a Unified Electronic Health Record
- Implementation of Medi-Cal 1115 waivers and Drug Medi-Cal Organized Delivery System Waiver
- Continued refinement of prior year initiatives for SFHN Service Improvement
- Strengthening Public Health Division Infrastructure and Operations
## FY 16-18 Proposal to Meet Target

<table>
<thead>
<tr>
<th></th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>Two Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Reduction Target</td>
<td>(9,580,977)</td>
<td>(19,161,955)</td>
<td></td>
</tr>
<tr>
<td><strong>Balancing Solutions To Meet Target</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZSFGH Baseline Revenues and Medi-Cal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1115 Waiver Changes</td>
<td>7,124,282</td>
<td>2,318,758</td>
<td></td>
</tr>
<tr>
<td>LHH Baseline Revenues</td>
<td>7,700,000</td>
<td>7,700,000</td>
<td></td>
</tr>
<tr>
<td>Mental Health Short Doyle Medi-Cal</td>
<td>6,000,000</td>
<td>6,000,000</td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Revenue Growth Assumed in Deficit</td>
<td>(6,720,577)</td>
<td>(17,020,716)</td>
<td></td>
</tr>
<tr>
<td>Salary Adjustments</td>
<td>7,500,000</td>
<td>7,500,000</td>
<td></td>
</tr>
<tr>
<td>Total Solutions</td>
<td>21,603,705</td>
<td>6,498,042</td>
<td></td>
</tr>
<tr>
<td><strong>Net Balancing</strong></td>
<td><strong>12,022,728</strong></td>
<td><strong>(12,663,913)</strong></td>
<td><strong>(641,185)</strong></td>
</tr>
<tr>
<td>DPH Inflationary Costs (does not affect target)</td>
<td></td>
<td>3,197,664</td>
<td></td>
</tr>
</tbody>
</table>
Next Steps

- February 16 – Additional Health Commission Budget Hearing
- June 1 – Mayor’s Balanced Budget Submission
- June – Board of Supervisors Budget (BOS) Hearings
- Mid-July – Final BOS approval of Budget