

DEPARTMENT OF PUBLIC HEALTH

FY 16-18 BUDGET

February 2, 2016

FY 16-18 Proposed Budget

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February 2

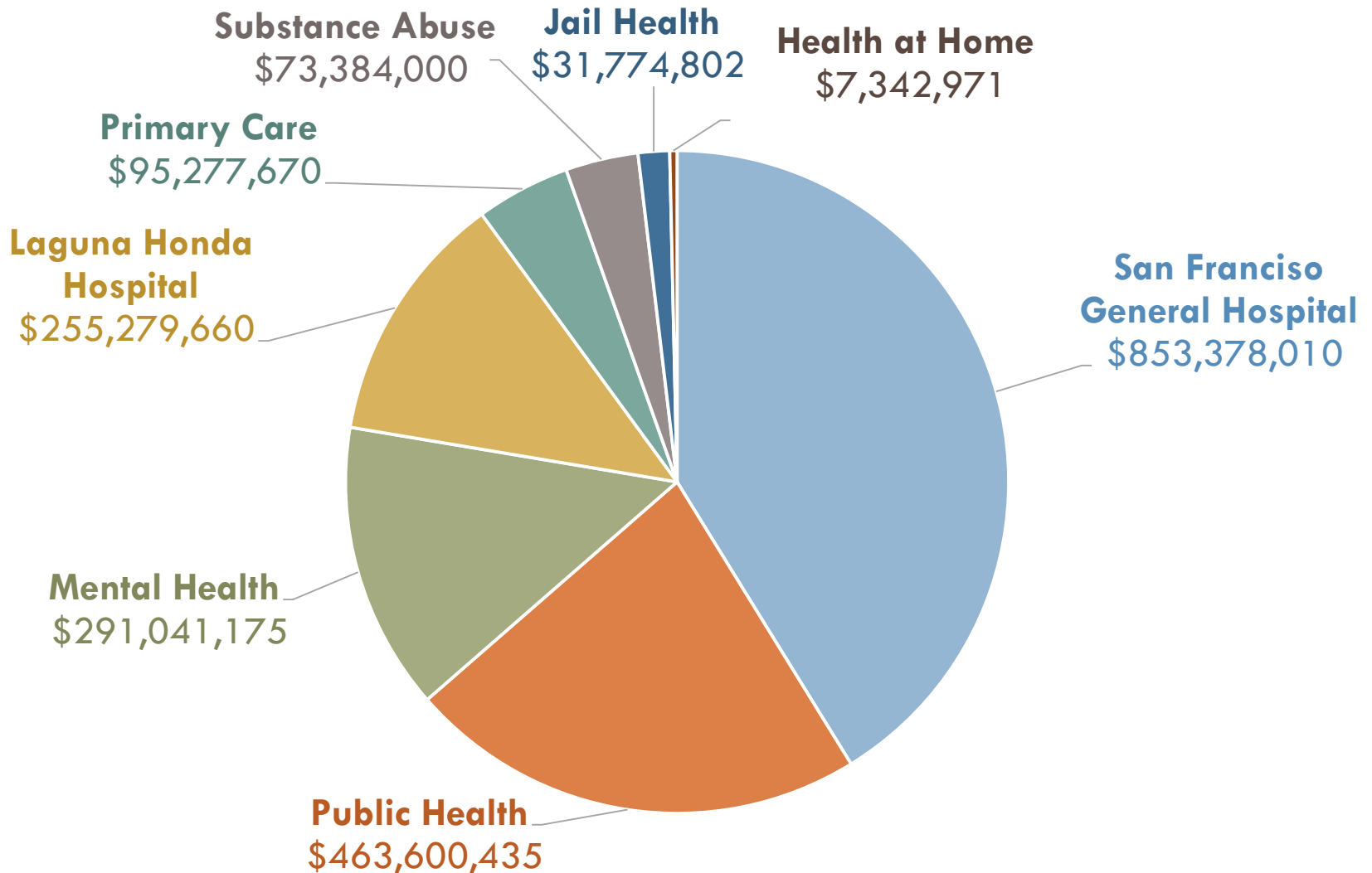
- Review of financial outlook and budget instructions
- Goals and strategies for FY 16-18 Budget
- Baseline revenue initiatives including Medi-Cal 1115 Waiver
- Proposal to meet Target

February 16

- Additional initiatives to achieve key departmental priorities
- Revenue-neutral and regulatory initiatives
- Update on Electronic Health Records initiative

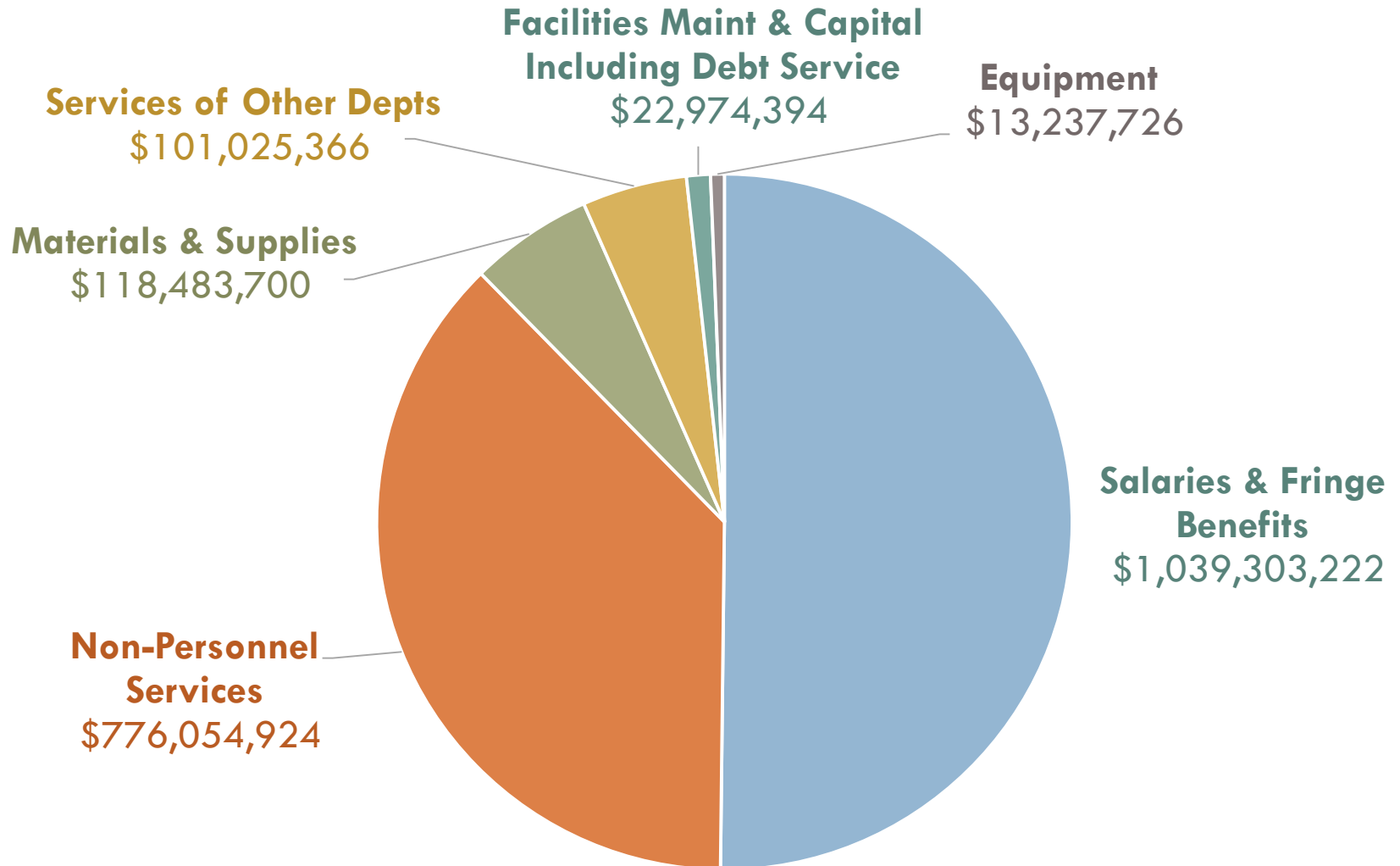
DPH 16-17 Base Budget \$2.071 B

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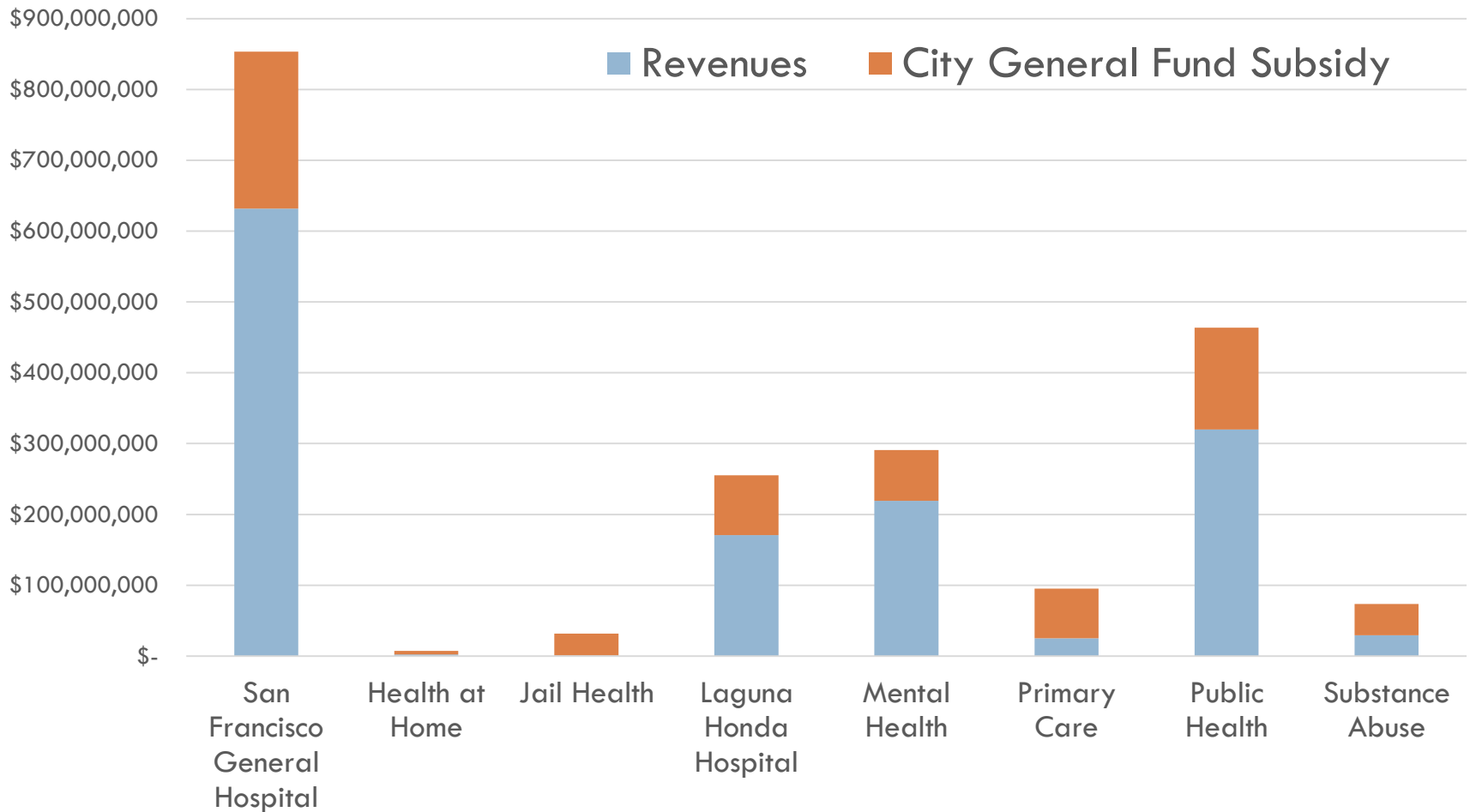


DPH 16-17 Base Budget Expenses by Type

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DPH Leverages Revenue to Offset General Fund



16-17 Base Budget Grows by \$37M

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

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

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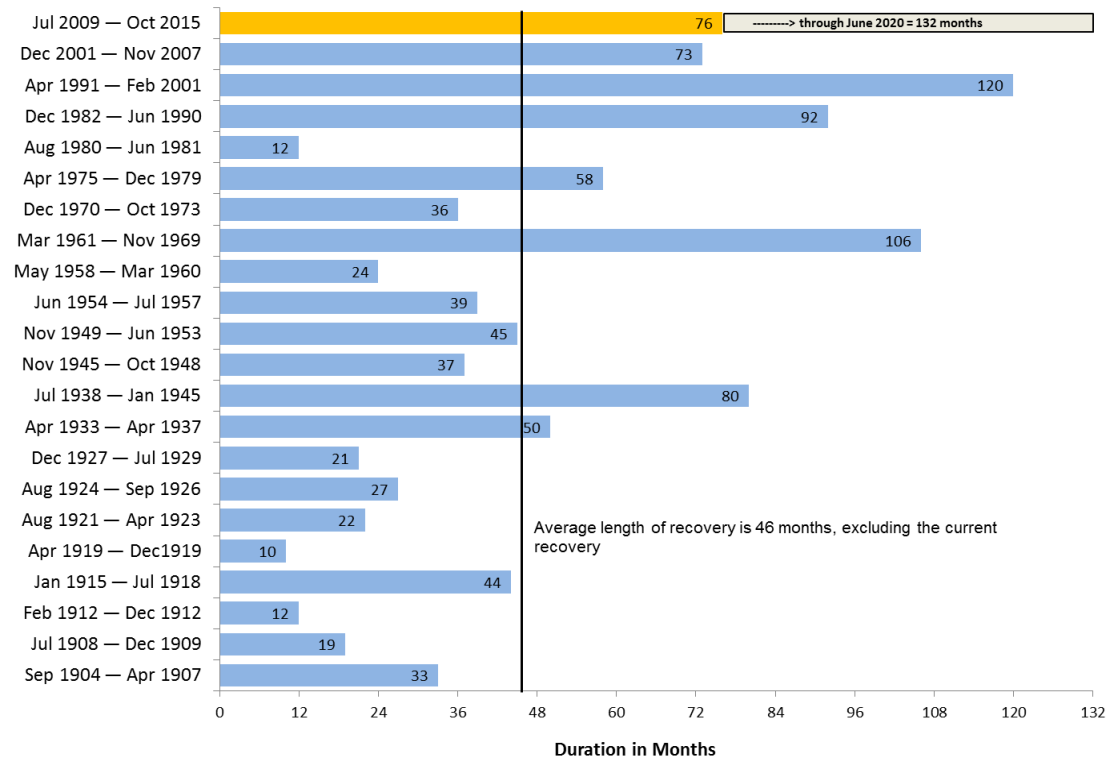
Division	Final Approved 15-16 FTEs	Base 16-17 FTEs	Growth
San Francisco General Hospital	3,059.59	3,110.02	50.43
Health at Home	44.93	44.92	-
Jail Health	140.43	142.32	1.89
Laguna Honda Hospital	1,342.90	1,351.55	8.65
Mental Health	586.55	592.19	5.64
Primary Care	545.04	569.31	24.27
Public Health	889.66	964.56	74.90
Substance Abuse	<u>62.90</u>	<u>63.56</u>	<u>0.66</u>
Total	6,672.00	6,838.43	166.43

City's FY16-18 Financial Outlook

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- 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.

Recession Scenario



Source: National Bureau of Economic Research (NBER)

- 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

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- 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

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

Next Steps

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- 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