

DEPARTMENT OF PUBLIC HEALTH FY 2018-2020 BUDGET

February 6, 2018

FY 18-20 Proposed Budget

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February 6

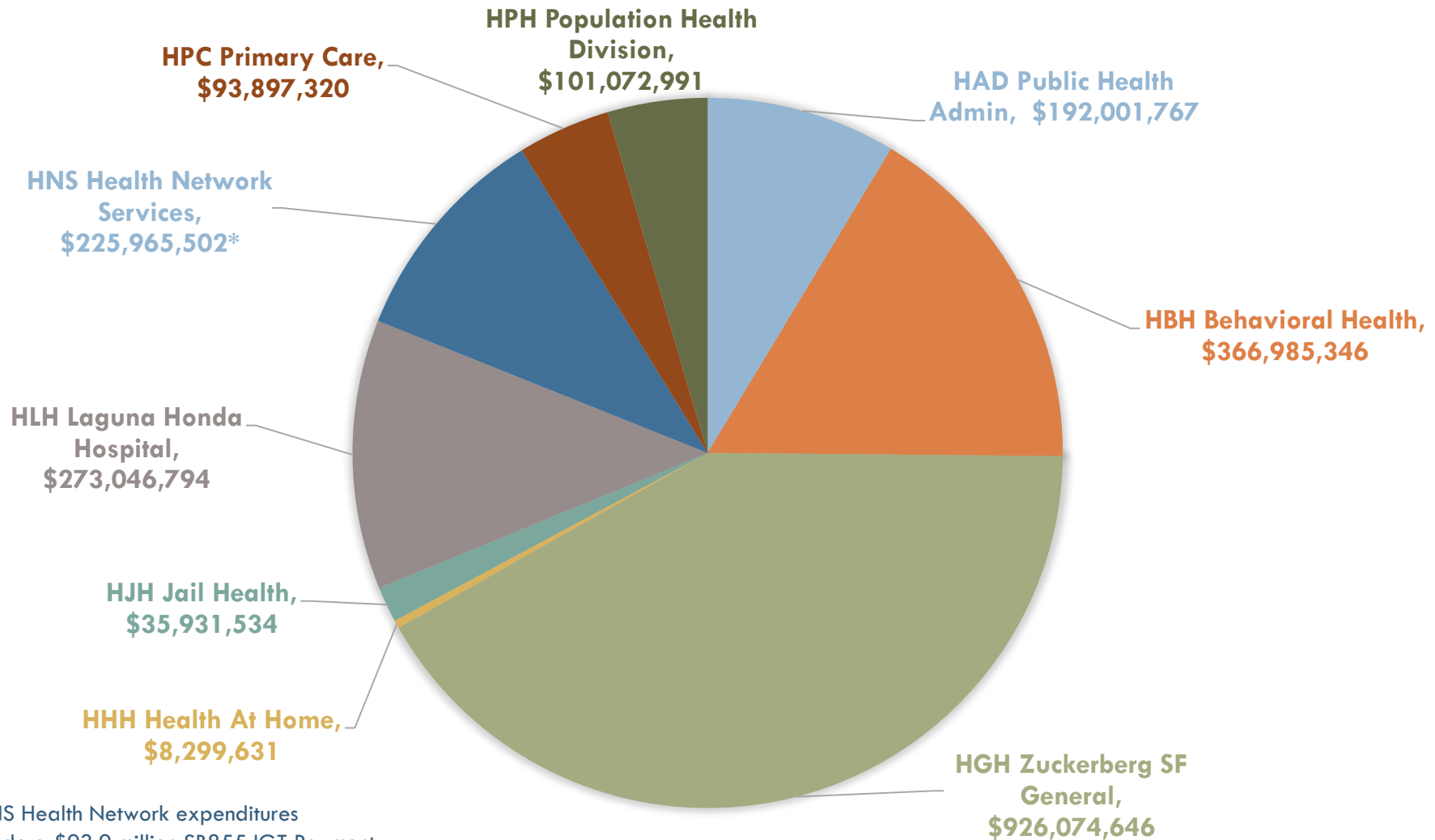
- FY 2018-19 Base Budget Overview
- Initial Set of Budget Initiatives for FY 18-20 to Meet Target

February 20

- Completed Balancing Plan with Final Initiatives

DPH 18-19 Approved Base Budget \$2.2B

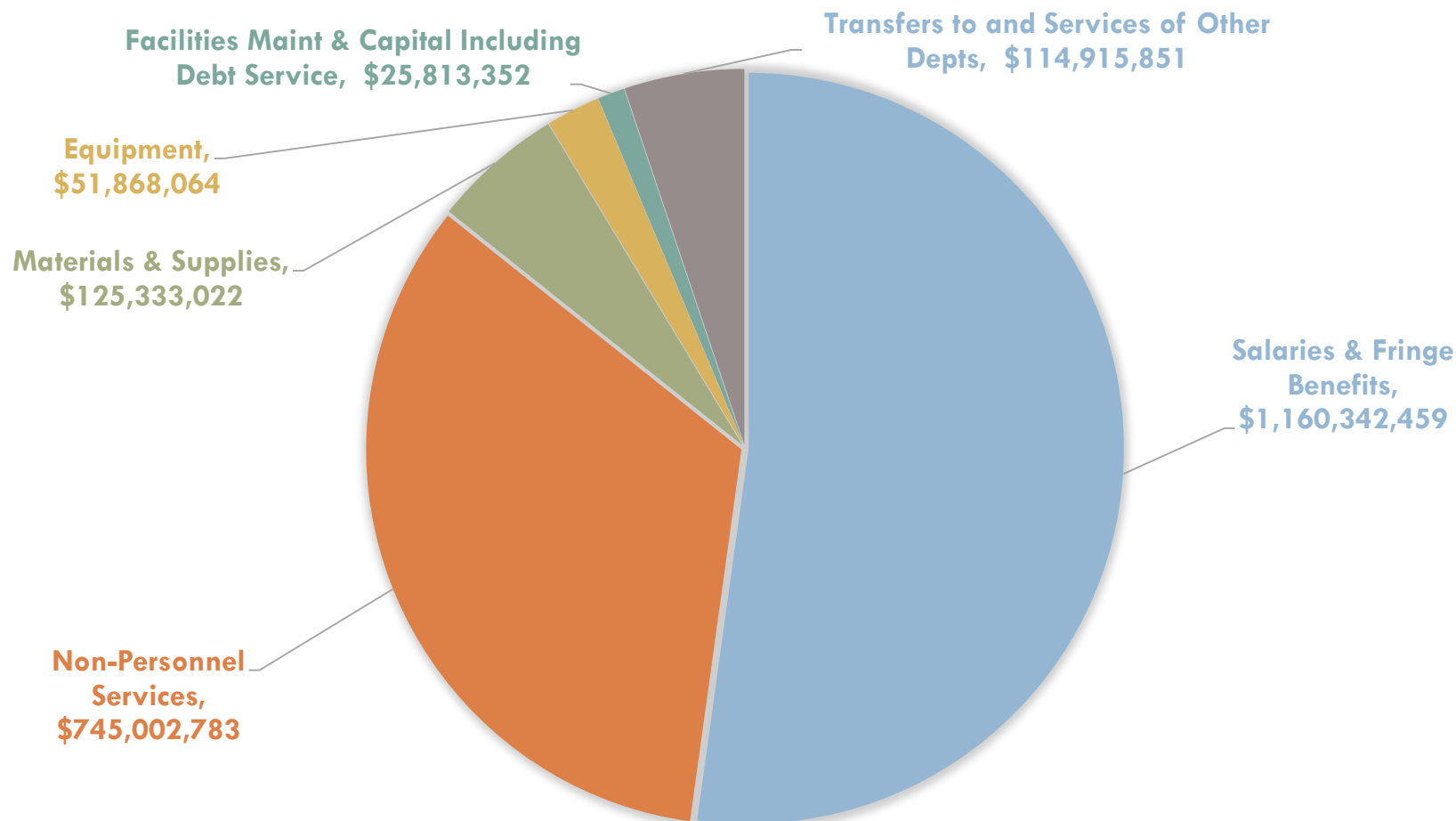
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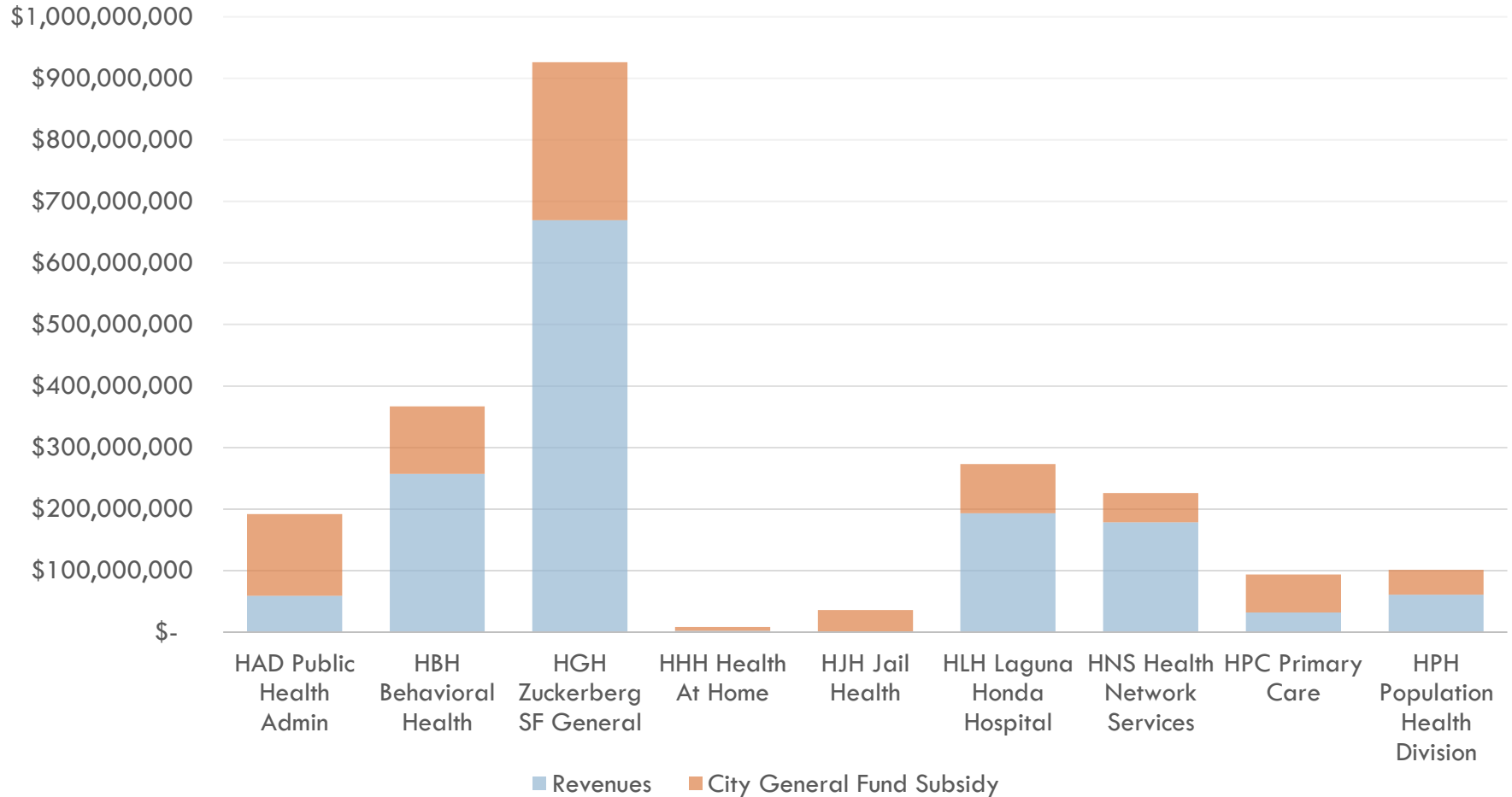
*HNS Health Network expenditures include a \$93.9 million SB855 IGT Payment

DPH 18-19 Approved Base Budget Expenses by Type

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DPH Leverages Revenue to Offset General Fund



FY 18-20 DPH Expenditures, Revenues and General Fund Support

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Division	Expenditures	Revenues	City General Fund Subsidy
HAD Public Health Admin	\$192,001,767	\$58,849,337	\$133,152,430
HBH Behavioral Health	\$366,985,346	\$256,996,789	\$109,988,557
HGH Zuckerberg SF General	\$926,074,646	\$669,462,361	\$256,612,285
HHH Health At Home	\$8,299,631	\$2,271,272	\$6,028,359
HJH Jail Health	\$35,931,534	\$678,975	\$35,252,559
HLH Laguna Honda Hospital	\$273,046,794	\$193,390,190	\$79,656,604
HNS Health Network Services	\$225,965,502	\$178,401,277	\$47,564,225
HPH Primary Care	\$93,897,320	\$31,978,825	\$61,918,495
HPH Population Health Division	\$101,072,991	\$60,679,304	\$40,393,687
Total	\$2,223,275,531	\$1,452,708,330	\$770,567,201

Areas of Focus for FY 18-20 DPH Budget

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- Focus for FY 18-20 is on continued implementation of major strategic initiatives, many adopted in last year's budget
- Therefore, fewer “new” initiatives than in some years past
- Proposed budget supports continued aggressive work in important areas – even though not all are called out in list of changes

Areas of Focus for FY 18-20 DPH Budget

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- Budget submission is consistent with Lean “True North” and key strategic initiatives
 - ▣ Electronic Health Record Implementation
 - ▣ Developing our People
 - Trauma Informed Systems
- “Whole Person” Healthcare
 - ▣ Behavioral Health Engagement Team
 - ▣ Drug Mede-Cal Organized Delivery System
 - ▣ Hummingbird Psychiatric Respite
 - ▣ St. Mary’s/Crestwood – 54 bed facility

Areas of Focus for FY 18-20 DPH Budget

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- Focus on Equity
 - ▣ Black/African American Health Initiative (BAAHI)
 - ▣ Southeast Health Center
- Financial Stewardship
 - ▣ Reserves
 - ▣ Grant Backfill of Core Population Health Services
 - ▣ Insurance Retention
 - ▣ Maximization of Value Based Payments
 - ▣ EHR Revenue Cycle Planning

Detailed Budget Initiatives – 1 of 2

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REVENUES		FY 18-19	FY 19-20
		Net GF Impact Favorable/ (Unfavorable)	Net GF Impact Favorable/ (Unfavorable)
A1	ZSFG Baseline Revenues and Medi-Cal 1115 Waiver Changes	\$ 47,110,410	\$ 42,139,709
A2	LHH Baseline Revenues	\$ 201,885	\$ 4,771,104
A3	2011 Mental Health Realignment and Short Doyle Medi-Cal Projections	\$ 3,750,000	\$ 6,250,000
A4	Backfill for Population Health Revenue Reductions	\$ (964,366)	\$ (2,817,663)
TOTAL REVENUES		\$ 50,097,929	\$ 50,343,150
BUDGET NEUTRAL		FY 17-18	FY 18-19
		Net GF (Savings)/Cost	Net GF (Savings)/Cost
B1	Behavioral Health Engagement Team	\$ -	\$ -
TOTAL BUDGET NEUTRAL		\$ -	\$ -

Detailed Budget Initiatives – 2 of 2

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EMERGING NEEDS		FY 17-18	FY 18-19
		Net GF (Savings)/Cost	Net GF (Savings)/Cost
C1	Drug Medi-Cal Delivery System	\$ (1,031,431)	\$ (1,031,431)
C2	Census and Staffing for Zuckerberg San Francisco General and Laguna Honda Hospital	\$ (1,280,169)	\$ (1,326,774)
C3	University of California Affiliation Agreement	\$ -	\$ (14,123,430)
TOTAL EMERGING NEEDS		\$ (2,299,446)	\$ (16,469,481)

INFLATIONARY (Does not affect target)		FY 17-18	FY 18-19
		Net GF (Savings)/Cost	Net GF (Savings)/Cost
D1	Pharmacy and Other Inflationary Costs	\$ -	\$ (4,951,434)
TOTAL INFLATIONARY		\$ -	\$ (4,951,434)

FY 18-20 Budget Balancing

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DPH Target	FY 18-19	FY 19-20	Two-Year Total
3% General Fund Reduction Target	(16,531,485)	(33,062,931)	(49,594,416)
Revenue Growth Assumed in Deficit	(10,338,324)	(25,272,053)	(35,610,377)
Subtotal Revenue and Expenditure Target	\$ (26,869,809)	\$ (58,334,984)	\$ (85,204,793)
	Favorable / (Unfavorable)	Favorable / (Unfavorable)	Two-Year Total
Summary of Initiatives			
Revenue	50,097,929	50,343,150	100,441,079
Budget Neutral	-	-	-
Emerging Needs	\$ (2,211,600)	\$ (16,381,635)	\$ (18,593,235)
Less UC Affiliation Agreement Cost Assumed in Deficit		\$ 3,854,719	\$ 3,854,719
Subtotal All Initiatives	\$ 47,886,329	\$ 37,816,234	\$ 85,702,563
Net Balancing - Favorable/(Unfavorable)	\$ 21,016,520	\$ (20,518,750)	\$ 497,770
Other Initiatives			
Inflationary (does not affect target)	\$ -	\$ (4,951,434)	\$ (4,951,434)

Next Steps

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- February 20 - Second Health Commission Hearing
- February 21 – Budget Submission due to Controller and Mayor’s Office
- June 1 – Mayor’s Proposed Budget
- June – July Board Review of Budget