

# Finance Report for Laguna Honda Hospital Joint Conference Committee

## July 9, 2019

### Budget and Finance

#### Budget Report

The FY 2019-20 budget has been finalized and is pending Board of Supervisors' approval. The hospital's proposed budget shows a net **\$12.3 million** increase in revenue over last year. The revenue changes consist of the following:

- \$12.3 million patient revenue increase mainly due to a projected 4.1% increase Acute and 2.0% DP/NF Supplemental Reimbursement rates

The proposed budget also includes an expenditure increase of **\$25.4 million** over last year, including the following:

- \$16.9 million in personnel expenses (mainly from labor MOU COLA and salary structural correction);
- \$6.4 million in non-personnel, including \$3M one time materials and supplies expenses;
- \$2.1 million in work orders due to performing departmental COLA

The budget reflects a net increase of **\$13.1 million** in general fund subsidy.

#### Salary Variance Report

We are currently projecting an overall salary expenses shortfall of \$1.1 million by year end. The variance is mainly due to a high vacancy in nursing positions that resulted in increased overtime usage. The department continues to backfilling vacant permanent and temp as-needed positions while reducing overtime.

