

**RECOMMENDATIONS OF THE BUDGET & LEGISLATIVE ANALYST
FOR AMENDMENT OF BUDGET ITEMS
FY 2014-15 AND FY 2015-16**

DEPARTMENT: DPH – DEPARTMENT OF PUBLIC HEALTH

- Increases in federal funding for health care under the Affordable Care Act; under the Affordable Care Act DPH will be reimbursed on a capitated rate rather than fee-for-service rates as was the case in previous years.
- An estimated increase of 15,000 patients who are newly eligible for coverage beginning in January 2014, and are assumed as part of the two year revenue forecast.
- Increased revenues at Laguna Honda Hospital as a result of changes in California State laws that would have otherwise resulted in reduction in services and related State reimbursements for services.
- Loss of federal funding for tuberculosis treatment, which the proposed budget backfills with General Fund monies.

FY 2015-16

The Department’s revenues of \$1,339,202,120 in FY 2015-16, are \$29,362,691 or 2.1% less than FY 2014-15 estimated revenues of \$1,368,564,811. General Fund support of \$633,606,618 in FY 2015-16 is \$20,179,420 or 3.3% more than FY 2014-15 General Fund support of \$613,427,198.

Specific changes in the Department’s FY 2015-16 revenues include:

- Continued increases in state and federal reimbursements as described above.

Item 4 - File 14-0628

The proposed ordinance sets patient rates and fees for services provided by DPH, effective July 1, 2014. According to information provided by DPH, projected revenues in FY 2014-15 are \$89,598,985 as shown below.

Projected revenues for FY 2014-15 are based on the proposed fee ordinance as follows:

File No.	Fee Description	FY 2013-14 Original Revenue	Change in FY 2014-15	Estimated FY 2014-15 Total
14-0628	Annually adjusted patient rates and charges for self-pay and third-party clients.	\$82,962,023	\$6,636,962	\$89,598,985
Total				

Recommendation: Approve the proposed ordinance.

Item 8 - File 14-0630

The proposed resolution authorizes the issuance of tax-exempt and/or taxable commercial paper notes in an aggregate principal amount not-to-exceed \$41,000,000 to finance the costs of the acquisition of furniture, fixtures and equipment for SFGH. The Board of Supervisors previously authorized the City’s commercial paper program of up to \$250,000,000 (Resolution 247-13).