



San Francisco Department of Public Health

FY 2024-25
Fourth Quarter Financial Report
October 2025



Fourth Quarter Summary

Fourth Quarter Report

	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 1,305.0	\$ 1,374.5	\$ 69.5	\$ 1,289.5	\$ 1,288.7	\$ 0.9	\$ 70.4
HLH - Laguna Honda Hospital	\$ 290.2	\$ 260.7	\$ (29.6)	\$ 322.5	\$ 322.0	\$ 0.5	\$ (29.1)
HBH - Behavioral Health	\$ 262.6	\$ 334.0	\$ 71.4	\$ 376.7	\$ 375.8	\$ 0.9	\$ 72.3
HPC - Primary Care	\$ 73.2	\$ 83.6	\$ 10.4	\$ 141.1	\$ 140.5	\$ 0.6	\$ 11.0
HJH - Jail Health	\$ 0.4	\$ 1.4	\$ 0.9	\$ 51.2	\$ 50.6	\$ 0.6	\$ 1.5
HNS - Health Network including HAH	\$ 17.1	\$ 24.5	\$ 7.5	\$ 181.9	\$ 181.6	\$ 0.4	\$ 7.8
HPH - Public Health Division	\$ 30.2	\$ 30.6	\$ 0.4	\$ 95.5	\$ 93.0	\$ 2.5	\$ 2.9
HAD - DPH Operations	\$ 50.3	\$ 52.0	\$ 1.6	\$ 189.8	\$ 188.8	\$ 1.0	\$ 2.7
Total Operating	2,029.0	2,161.1	132.2	2,648.3	2,640.9	7.4	139.6
Less Savings Per Mid Year Instruction						(2.5)	(2.5)
PY MCF						(0.8)	(0.8)
BLA PO Closeout						(0.2)	(0.2)
Reserve Deposit			(25.3)			-	(25.3)
Surplus/Deficit			106.9			4.0	110.8



Change from Third Quarter Summary

Variance (Current vs Prior)	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Surplus/ (Deficit)	Revised Budget	Current Projection	Surplus/ (Deficit)	Surplus/ (Deficit)
HGH - Zuckerberg SF General	\$ 21.6	\$ 26.7	\$ 5.1	\$ 22.5	\$ (6.7)	\$ 29.2	\$ 34.3
HLH - Laguna Honda Hospital	\$ 1.1	\$ (0.4)	\$ (1.5)	\$ (14.0)	\$ (8.8)	\$ (5.2)	\$ (6.6)
HBH - Behavioral Health	\$ 0.1	\$ 22.8	\$ 22.7	\$ (14.6)	\$ (2.4)	\$ (12.2)	\$ 10.5
HPC - Primary Care	\$ 0.1	\$ (2.7)	\$ (2.7)	\$ (2.9)	\$ (1.1)	\$ (1.8)	\$ (4.5)
HJH - Jail Health	\$ 0.0	\$ 1.0	\$ 0.9	\$ 4.2	\$ 0.6	\$ 3.6	\$ 4.5
HNS - Health Network including HAH	\$ 0.1	\$ 3.2	\$ 3.1	\$ (23.0)	\$ (16.3)	\$ (6.7)	\$ (3.7)
HPH - Population Health Division	\$ 1.4	\$ 1.8	\$ 0.4	\$ (15.6)	\$ (7.2)	\$ (8.4)	\$ (8.0)
HAD - Central Administration	\$ 7.8	\$ 9.9	\$ 2.1	\$ (7.4)	\$ (12.1)	\$ 4.7	\$ 6.8
Total Operating	32.1	62.2	30.1	(50.8)	(54.0)	3.2	33.3
Net Change in Q4							33.3



Highlights for 4th Quarter Financials

Laguna Honda Hospital (HLH)

- \$29.6M revenue gap (-10.2%) driven by (\$50.9M) patient-service revenue as a result of reduced census during recertification, partially offset by \$20.6M in temporarily increased DP/NF supplemental payments (2023-25).

Behavioral Health Services (BHS)

- \$68.5M Medi-Cal revenue over budget (+61.3%) as a result of statewide payment-reform rates, increase in monthly avg billing and EPIC go-live (May 2024). The surplus is \$22.7 million higher than the projection from last quarter due to \$8.1 million in better-than-expected patient revenue, \$10.5 million in Behavioral Health QAUR, and \$4.4 million in prior year settlements.

Zuckerberg San Francisco General (ZSFG)

- \$56.0 million appropriation transfer to offset increased spending in personnel costs, professional services and material & supplies resulting from increased inflationary costs and increased census.

DPH Management Reserve

- Revenue surplus is net of a \$25.3 million deposit to the DPH Management Reserve bringing the reserve balance to \$174.2 million. The purpose of the DPH Management Reserve is to provide a short-term buffer against volatile state and federal DPH revenue that can lead to large, short-term variances.



Zuckerberg San Francisco General

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
				<u>Variance</u>	
TOTAL OPERATING REVENUE	1,374.50	1,304.97	1,211.49	69.53	5.3%
TOTAL OPERATING EXPENSES	1,288.65	1,289.53	1,237.19	0.87	0.1%
GENERAL FUND SUPPORT	85.85	15.44	(25.70)	111.55	722.5%

- \$69.5 million revenue surplus described in detail in the following slides.
- \$0.9 million ending position in expenditure savings largely in personnel



Zuckerberg San Francisco General

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
				<u>Variance</u>	
NET PATIENT SERVICE REVENUE:					
Medi-Cal Revenue	323.44	296.71	296.71	26.74	9.0%
Medicare Revenue	244.24	235.44	235.44	8.80	3.7%
Prior Year Settlement	9.97	28.70	28.70	(18.73)	-65.3%
Other Patient Revenue	136.60	142.86	142.86	(6.26)	-4.4%
TOTAL PATIENT SERVICE REVENUE	714.26	703.71	703.71	10.55	1.5%

- Medi-Cal & Medicare billing revenue contribute \$21.4M of the surplus in patient revenue as a result of higher-than-expected patient volume and patient census
- Increased utilization of higher cost medications within the 340b program contributes an additional \$7.9M to the surplus.
- ZSFG realized \$10 million in net prior year settlements, primarily due to a \$21.1 million recoupment from the FY14-15 State AB85 Realignment allocation, offset by \$31.1 million in prior year Medicare and Medi-Cal settlement receipts. Compared to budget, this results in an \$18.7 million shortfall.



Zuckerberg San Francisco General

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
				<u>Variance</u>	
OTHER OPERATING REVENUE:					
Medi-Cal Waiver	232.42	166.18	124.02	66.25	39.9%
Medi-Cal Managed Care Supplemental	182.41	209.00	161.79	(26.58)	-12.7%
Other Medi-Cal	80.47	62.01	60.14	18.46	29.8%
Capitation Fees / Health Plan Settlements	74.10	71.77	71.77	2.33	3.3%
1991 Health & Welfare Realignment	63.58	63.58	63.58	-	0.0%
Other State/Misc	19.58	21.06	18.94	(1.47)	-7.0%
Revenues from Other Departments	7.67	7.67	7.54	-	0.0%
TOTAL OTHER OPERATING REVENUE	660.24	601.26	507.78	58.99	9.8%

- \$66.3M surplus from Global Payment Program Medi-Cal Waiver revenue due to increased services provided to the uninsured and Medicaid DSH settlement closeouts from FY2010-11 and FY2011-12
- Surpluses of \$18.5M in Other Medi-Cal due to Medicaid GME and \$2.3M in Capitation revenue were offset by shortfalls of \$26.6M in Medi-Cal Managed Care Supplemental and \$1.5M in other miscellaneous revenue.



Laguna Honda Hospital

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised</u>	<u>Original</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	
TOTAL OPERATING REVENUE	260.66	290.24	289.19	(29.58)	-10.2%
TOTAL OPERATING EXPENSES	321.97	322.47	336.52	0.49	0.2%
GENERAL FUND SUPPORT	(61.32)	(32.23)	(47.33)	(13.98)	-43.4%

- \$29.6M revenue deficit driven by \$30.3M shortfall in patient revenue due to reduced patient census during recertification efforts. This shortfall is partially offset by \$20.6M in prior year Distinct Part Nursing Facilities (DP/NF) settlement payments.
- \$0.5 million in expenditure savings driven by \$0.3 million surplus in materials and supplies due to reduced patient census .



Behavioral Health

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised</u>	<u>Original</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	
TOTAL OPERATING REVENUE	334.00	262.55	262.50	71.44	27.2%
TOTAL OPERATING EXPENSES	375.84	376.74	395.86	0.90	0.2%
GENERAL FUND SUPPORT	(41.84)	(114.18)	(133.35)	91.51	80.1%

- BHS projects a \$71.4M revenue surplus, a \$22.7M increase from Q3, primarily due to \$37.4M surplus in Medi-Cal revenue from billing improvements as a result of CalAIM payment reform, updated payment data and reconciliations, and use of Epic for mental health electronic health records, along with a one-time \$30.7M surplus due to changes in timing for administrative cost claiming.
- \$0.9M in expenditure savings is due primarily to salary and fringe savings from behavioral health clinician vacancies (\$0.3M) and non-personnel savings (\$0.3M)

Primary Care



	CURRENT YEAR				
	<u>Projection</u>	<u>Revised</u>	<u>Original</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	
TOTAL OPERATING REVENUE	83.55	73.18	72.79	10.38	14.2%
TOTAL OPERATING EXPENSES	140.50	141.12	136.60	0.62	0.4%
GENERAL FUND SUPPORT	(56.94)	(67.94)	(63.81)	6.87	10.1%

- \$10.4M revenue surplus composed of \$3.3M in surplus Quality Incentive Program (QIP) revenue from fully meeting quality metrics, \$5.9M surplus in Medi-Cal revenue from higher volume and better than expected FQHC rates for certain clinics and \$1.3M in prior year Medi-Cal settlements.
- \$0.6M in expenditure savings primarily from addback savings related to Mayor's mid-year savings instructions in the Sugary Sweetened Beverage annual project (\$0.5M) personnel savings.

Jail Health



	CURRENT YEAR				
	<u>Projection</u>	<u>Revised</u>	<u>Original</u>	<u>Fav/(Unfav)</u>	
		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>
TOTAL OPERATING REVENUE	1.35	0.43	0.39	0.93	217.6%
TOTAL OPERATING EXPENSES	50.60	51.19	45.91	0.59	1.2%
GENERAL FUND SUPPORT	(49.25)	(50.77)	(45.52)	(3.73)	-7.4%

- \$0.9M revenue surplus tied to new billing opportunities afforded through Jail Health's implementation of the CalAIM Justice Involved Initiative.
- \$0.6 million in expenditure savings primarily from personnel savings



Health Network Services

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
				<u>Variance</u>	
TOTAL OPERATING REVENUE	24.53	17.06	16.93	7.47	43.8%
TOTAL OPERATING EXPENSES	181.55	181.93	191.05	0.38	0.2%
GENERAL FUND SUPPORT	(157.03)	(164.88)	(174.12)	17.09	10.4%

- The \$7.5M revenue surplus is primarily from improvements in billing for Whole Person Integrated Care (WPIC) services and Health at Home (\$7.6M) services
- The \$0.4M expenditure savings is primarily reflecting non-personnel savings from prior year funds carried forward for expected site repair no longer obligated (\$0.2M) and work order savings (\$0.1M)



Population Health Division

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised</u>	<u>Original</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
		<u>Budget</u>	<u>Budget</u>	<u>Variance</u>	
TOTAL OPERATING REVENUE	30.59	30.22	28.68	0.37	1.2%
TOTAL OPERATING EXPENSES	92.98	95.53	105.66	2.54	2.7%
GENERAL FUND SUPPORT	(62.39)	(65.31)	(76.98)	14.59	22.3%

- The \$0.4M revenue surplus largely due to improvements to Medi-Cal billing for Public Health Laboratory services enabled through Epic conversion partially offset by shortfalls in fee and license revenue from Environmental Health inspections and MAA revenue
- \$2.5M in expenditure savings is primarily from addback savings related to Mayor's mid-year savings instructions in the Sugary Sweetened Beverage annual project (\$2M)



Public Health Administration

	CURRENT YEAR				
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>	<u>% Var</u>
				<u>Variance</u>	
TOTAL OPERATING REVENUE	51.96	50.32	42.37	1.64	3.3%
TOTAL OPERATING EXPENSES	188.80	189.82	192.12	1.02	0.5%
GENERAL FUND SUPPORT	(136.84)	(139.50)	(149.76)	12.92	9.3%

- The \$1.6M revenue surplus is primarily driven by FEMA revenue (\$2.3M) offset by a shortfall in MAA revenue (\$0.6M).
- The \$1 million expenditure savings is primarily reflecting improved grant indirect cost recovery.



DPH Revenue Management Reserve

- Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance allows the deferral of DPH revenue in the DPH Revenue Management Reserve to offset short-term funding reductions for health services.
- Reserve is based on net Medi-Cal, Medicare and Patient Revenue and allows for up to 50% of surplus revenues to be deposited, up to a total of 5% of the two-year budgeted revenues.
- FY25 Surplus revenue of \$106.9M (5.3%) is net of a \$25.3 million deposit made at year end to bring the reserve balance to \$174.2 million

DPH Revenue Management Reserve as of Q4 2025-26

Budgeted Revenues	Medi-Cal	Medicare	Patient Revenues	Less IGT	Annual total
FY 2025-26	1,395,840,452	300,085,604	179,574,049	(158,362,730)	1,717,137,375
FY 2026-27	1,450,774,982	310,258,922	184,576,333	(179,143,599)	1,766,466,638
Total Revenues Over Two Years					3,483,604,013

Reserve Balance as of Q3 FY 24-25	148,888,630
Year End Reserve Deposit	25,291,571

Reserve Balance as of Q1 FY2025-26	174,180,201
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Reserve as a Percentage of Medi-Cal, Medicare & Patient Revenue	5.00%
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Questions



Thank You