



**Daniel Lurie,
Mayor**

**Drew Murrell,
Chief Financial Officer**

MEMORANDUM

March 2, 2026

To: President Laurie Green and Honorable Members of the Health Commission

Through: Daniel Tsai, Director of Health
Jenny Louie, Chief Operating Officer
Drew Murrell, Chief Financial Officer

From: Lily Conover, Controller 

RE: Revenue and Expenditure Projection Report – Second Quarter FY 2025-26

This report presents the second quarter statement of revenues and expenditures for the Department of Public Health (DPH) for fiscal year 2025-26. Figures reported include projected ending balances based on actual revenues and expenditures as of December 31, 2025. At the end of the second quarter, the department projects a positive general fund variance of \$33.1 million. This positive revenue variance is incorporated into the department’s budget proposal presented to the Health Commission on February 2, 2026 to be voted on during the March 2, 2026 full Health Commission meeting. The department projects expenditures to be on budget overall with significant negative variance at Zuckerberg San Francisco General Hospital (ZSFG) and DPH Operations offset by positive variances in other divisions.

Second Quarter FY 2025-26 (\$ in Millions)

Second Quarter Report	Revenue			Expenditure			Total
	Revised Budget	Current Projection	Positive/(Negative)	Revised Budget	Current Projection	Positive/(Negative)	Positive/(Negative)
HGH - Zuckerberg SF General	\$ 1,423.8	\$ 1,370.4	\$ (53.4)	\$ 1,340.2	\$ 1,367.4	\$ (27.1)	\$ (80.6)
HLH - Laguna Honda Hospital	\$ 269.9	\$ 292.9	\$ 23.0	\$ 341.0	\$ 332.0	\$ 9.0	\$ 32.0
HBH - Behavioral Health	\$ 295.6	\$ 339.1	\$ 43.5	\$ 417.1	\$ 407.4	\$ 9.7	\$ 53.2
HPC - Primary Care	\$ 110.1	\$ 118.2	\$ 8.1	\$ 146.8	\$ 145.9	\$ 0.9	\$ 9.1
HJH - Jail Health	\$ 7.5	\$ 13.4	\$ 5.9	\$ 54.1	\$ 57.6	\$ (3.4)	\$ 2.5
HNS - Health Network including HAH	\$ 25.3	\$ 30.7	\$ 5.4	\$ 200.8	\$ 187.2	\$ 13.6	\$ 19.0
HPH - Public Health Division	\$ 20.5	\$ 21.1	\$ 0.6	\$ 108.2	\$ 100.8	\$ 7.4	\$ 8.0
HAD - DPH Operations	\$ 44.2	\$ 44.2	\$ -	\$ 194.9	\$ 205.1	\$ (10.2)	\$ (10.2)
Total Operating	2,197.0	2,230.2	33.1	2,803.2	2,803.2	(0.0)	33.1
			Positive/(Negative) 33.1			(0.0)	33.1

Key highlights and notes:

- 1) **Personnel spending at DPH is projected to exceed budget by \$16.0 million largely driven by projected negative variance from budget at Zuckerberg San Francisco General Hospital (ZSFG) (\$17.0 million).** Personnel spending across DPH will need to be carefully monitored during the third and fourth quarters to ensure DPH remains within our expenditure authority.

- 2) ***Decrease in Zuckerberg San Francisco General Hospital census paired with negative expenditure variance.*** During the first half of the fiscal year, ZSFG inpatient census decreased by 9.6% from the same point in the prior year. The decrease in patient census is the main cause of ZSFG's \$53.4 million (3.8%) negative revenue variance. The decrease in patient census has not resulted in favorable expenditure variance. Spending on personnel, professional services, and materials and supplies are all in excess of budget. Negative variances in personnel costs are primarily being driven by nursing classes, with higher retention and recruitment and an increase in hourly wages.
- 3) ***A positive revenue variance from budget in BHS driven primarily by sustained growth in service volumes, with additional impacts from the timing of State claim submissions.*** BHS projects a total positive variance of \$53.2 million, consisting of a \$43.5 million favorable revenue variance and a \$9.7 million favorable expenditure variance.

The revenue variance is primarily attributable to sustained growth in behavioral health service volumes beyond budget assumptions, accounting for approximately \$25.0 million, largely within Medi-Cal. An additional \$21.6 million reflects the timing of State claim submissions and revenue recognition associated with established claiming and audit timelines, prior year revenue recognition and changes in payment distribution. This sustained revenue growth is incorporated into the budget submission for FY26-27 and FY27-28.

- 4) ***Improved fiscal outlook for Laguna Honda.*** Projections for Laguna Honda Hospital revenues and expenditures reflect a continued trend of skilled nursing census increases reaching 636 by fiscal year-end.

Revenue projections are for a \$23.0 million (8.5%) positive revenue variance primarily composed of a \$26.0 million one-time Distinct Part Nursing Facilities (DP/NF) supplemental payment for calendar years 2024 and 2025, partially offset by a projected \$2.8 million negative variance in patient revenue as census returns to the 636 skilled nursing bed capacity.

The positive revenue variance is further supported by a \$9.1 million favorable expenditure variance, primarily driven by delays in onboarding new hires and reduced overtime utilization (\$5.7 million), as well as lower-than-anticipated CMS recertification consulting costs (\$2.9 million).

Divisional details:

Zuckerberg San Francisco General Hospital: ZSFG projects a net \$80.6 million negative variance compared to budget comprised of \$53.4 million (3.8%) of revenue negative variance and \$27.1 million (2.0%) in negative expenditure variance driven by increased spending in personnel costs, professional services, and materials and supplies.

The \$53.4 million negative revenue variance is due to:

- Projected \$60 million shortfall in patient service revenue, primarily due to lower-than-expected patient volume and patient census.
- Projected \$10 million shortfall in prior year settlements.
- \$3.5 million negative revenue variance from Medi-Cal Managed Care Supplemental primarily due to higher-than-expected intergovernmental transfer payments related to the Enhanced Payment Program (EPP) and Quality Incentive Pool (QIP) programs.
- \$1.5 million negative revenue variance from Other State/Miscellaneous primarily due to lower-than-expected Rent/Concessions and Other Misc revenue.

The revenue variances above are partially offset by several positive revenue variances:

- Projected \$12.9 million positive revenue variance in Outpatient Pharmacy revenue.
- \$4.9 million positive revenue variance from Global Payment Program Medi-Cal Waiver and \$2.5 million positive variance in Medicaid Graduate Medical Education (GME) revenue. The second quarter projection assumes that Congressional action will be taken to continue to delay Medicaid DSH cuts, and that Hospital Fee Program year nine is approved at its historical annual value.
- Projected positive variance of \$1.2 million in Capitation revenue.

\$27.1 million in negative expenditure variance primarily comprised of:

- \$17 million of salaries and fringes negative variance due primarily to negative variances from budget in hours, hourly wages, and utilization of P103 nurses.
- \$6.7 million negative variance in non-personnel services due to unexpected security and registry contract costs, and hospital's failed chiller system.
- \$3.4 million negative variance in materials and supplies due to pharmaceutical spending, and inflationary pressures on medical supply costs.

Laguna Honda Hospital (LHH): projects a net positive variance of \$32.0 million comprised of \$23.0 million (8.5%) in positive revenue variance and \$9.1 million (2.7%) in positive expenditure variance.

A \$23.0 million positive revenue variance due to:

- \$25.8 million in better-than-expected temporarily increased DP/NF supplemental payments for calendar years 2024 and 2025, offset by a projected \$2.8 million negative variance in patient revenue.
- Patient revenue projection includes a Medi-Cal rate increase for Skilled Nursing bed day services retroactive to January 1, 2025 and includes a projection that LHH will reach full census by the end of the fiscal year.

A \$9.1 million positive expenditure variance due to:

- \$5.7 million positive variance in personnel due to downward trend in overtime usage, delay in onboarding new hires, and lower-than-expected health services fringe benefits.
- \$2.9 million positive variance in non-personnel due to lower-than-expected CMS recertification consulting service costs and realignment of expenditures between the facility maintenance fund and operating fund.
- \$0.3 million negative variance in materials and supplies due to projected year-end pharmaceutical supply inventory expenditures.
- \$0.8 million positive variance in work orders due to savings from Workers' Compensation, Risk Management, and other miscellaneous small work orders.

Behavioral Health Services (BHS): BHS projects a positive variance of \$53.2 million comprised of \$43.5 million (14.7%) in positive revenue variance and \$9.7 million (2.3%) in positive expenditure variance.

A \$43.5 million positive revenue variance due to:

- \$16.9 million from QAUR and Admin state claim submission timing, reflecting recognition of prior-period activity in the first quarter under established claiming and audit timelines.
- \$25.0 million variance driven by higher billed service volumes and associated revenue recognition, reflecting sustained utilization growth beyond budget assumptions. Billed units of service increased approximately 18% in Short-Doyle Medi-Cal (SDMC) and 21% in Drug Medi-Cal (DMC), with additional growth observed in pharmacy revenue. Growth is also reflected in \$4.3 million of prior-year Drug Medi-Cal revenue recognized in the current fiscal year due to claim submission lag.
- Beginning January 1, 2026, billing for new CalAIM Recuperative Care Community Support sites went into effect, along with a temporary six-month rate increase, contributing an estimated \$4.6 million in incremental revenue above existing streams.
- A \$3.0 million unfavorable variance in Other Operating Revenue, reflecting lower-than-expected claimable hours under the State CARE Court program and Mode 55 under the Medi-Cal Administrative Activities reimbursement program.

A \$9.7 million in expenditure savings due to:

- \$7.1 million in contracts savings mainly from prior year purchase order closeouts.
- \$3.8 million in materials and supplies savings from pharmaceuticals.
- \$0.2 million in interdepartmental services, mainly from lower-than-expected workers' compensation charges.
- \$0.5 million in annual project savings mainly from slower-than-expected billings of psychiatric inpatient professional services.
- \$1.9 million in personnel negative variance due to accelerating hiring for Behavioral Health Clinicians vacancies through hiring of trainees.

Primary Care: Primary Care projects a net positive variance of \$9.1 million comprised of \$8.1 million (7.4%) in positive revenue variance and \$0.9 million (0.6%) in positive expenditure variance.

An \$8.1 million positive revenue variance due to:

- \$5.4 million positive patient revenue variance due to better-than-expected volume of billed primary care visit services
- \$7.4 million positive variance in QIP revenue due to an increase in the amount of available funding for the program.
- \$4.6 million negative revenue variance in San Francisco Health Plan (SFHP) capitation and pay for performance revenue due to higher than budgeted out of network costs (\$4 million) and a reduced amount of available SFHP Performance Improvement Program dollars (\$0.6 million).

A \$0.9 million positive expenditure variance reflecting:

- \$0.7 million in positive expenditure variance in materials and supplies mainly from pharmaceuticals.
- \$0.8 million in positive expenditure variance in interdepartmental services mainly due to savings in electricity and gas work order with the Public Utilities Commission (PUC) resulting from lower-than-expected annual rate increase, and lower-than-expected workers compensation charges.
- Partially offsetting, \$0.5 million personnel negative variance mainly due to unexpected temporary nursing backfill needs.

Jail Health Services: JHS projects a \$2.5 million positive variance comprised of \$5.9 million (78.6%) in positive revenue variance and \$3.4 million (6.3%) in negative expenditure variance driven by increased pharmaceutical and personnel expenditures.

A \$5.9 million positive revenue variance due to:

- Implementation of the CalAIM Medicaid Waiver Justice Involved Initiative, which allows for the billing and reimbursement of healthcare services provided in the Jail has resulted in better than budgeted patient revenue.

\$3.4 million in negative expenditure variance primarily comprised of:

- \$1.7 million salary and fringes negative variance from increases in staffing related to jail census increases
- \$1.7 million negative variance in materials and supplies due to pharmaceutical spending, and inflationary pressures on medical supply costs.

Health Network Services: The Health Network Division projects a positive variance of \$19.0 million comprised of \$5.4 million (21.4%) in positive revenue variance and \$13.6 million (6.8%) in positive expenditure variance.

A \$5.4 million net favorable revenue variance from:

- \$1.2 million better than budgeted patient and capitation revenue.
- \$4.3 million in billing for new CalAIM Recuperative Care Community Support sites that went into effect on January 1, along with a temporary six-month rate increase.
- \$0.8 million favorable variance from increased California Children's Services (CCS) cost-reimbursement revenue.
- \$0.7 million unfavorable variance from a decline in Health Care Accountability Ordinance (HCAO) fee revenue due to fewer fee-paying entities.
- \$0.2 million unfavorable variance related to Health San Francisco (HSF) waivers.

\$13.6 million in positive expenditure variance from:

- \$3.3 million salaries and fringes savings primarily from position vacancies.
- \$4.6 million non-personnel services savings mainly from prior year contract purchase orders closeouts.
- \$1.0 million materials and supplies savings from pharmaceuticals and incentives.
- \$0.4 million interdepartmental services savings mainly from Sheriff work order due to supplemental funding from Department of Homelessness and Supportive Housing (HSH).
- \$4.3 million annual project savings from Electronic Health Records (E.H.R.) from prior year purchase order closeout and position vacancies.

Population Health Division: Population Health Division projects a net positive variance of \$8.0 million comprised of \$0.6 million (3.1%) in positive revenue variance and \$7.4 million (6.8%) in positive expenditure variance.

\$0.6 million in positive revenue variance is comprised of:

- A \$0.7 million favorable revenue variance resulting from expanded insurance billing for Public Health Laboratory services following the FY25 Epic implementation and the resolution of early implementation issues.
- A \$0.5 million unfavorable revenue variance due to reduced participation in the County Medical Administrative Activities (CMAA) program.
- A \$0.4 million favorable revenue variance reflecting partial recovery of Proposition M-waived revenue beginning in April 2026.

\$7.4 million in positive expenditure variance primarily comprised of:

- \$4.3 million salaries and fringes savings from position vacancies and grant supplement.
- \$1.4 million non-personnel services primarily from prior year contracts purchase order closeouts.
- \$1.5 million materials and supplies savings primarily from immunization and laboratory medical supplies.
- \$0.2 million annual project savings from the Sugary Sweetened Beverage project primarily from position vacancies.

Public Health Administration: The Public Health Administration division projects a negative net expenditure variance of \$10.2 million.

\$10.2 million in negative expenditure variance primarily comprised of:

- \$8.1 million salaries and fringes negative variance from unbudgeted temporary staffing needs.
- \$2.5 million non-personnel services negative variance from budget due to unexpected security contract costs.
- \$2.2 million interdepartmental services negative expenditure variance due to unexpected City Attorney litigation cost increases and security coverage needs.
- \$2.6 million Information Technology (IT) annual project savings primarily from prior year purchase orders closeouts and position vacancies.

DPH Management Reserve: Section 12.6 of the administrative provisions of the Annual Appropriation Ordinance authorizes the Controller to defer surplus transfer payments, indigent health revenues, and Realignment funding to offset future reductions or audit adjustments associated with funding allocations for indigent health services. This provision was adopted by the Board of Supervisors to provide a short-term buffer against volatile state and federal revenues that can lead to large variances between budgeted and actual amounts due to unpredictable timing of payments, major changes in projected allocations, and delays in final audit settlements.

Consistent with this policy, the Controller’s Office deposited \$25.3 million from DPH’s surplus revenue at year-end FY2024-25 to reach the maximum reserve balance (\$174.2 million) measured as 5% of the total two-year combined revenue budget total of Medi-Cal, Medicare and Other Patient Revenue.

DPH Revenue Management Reserve as of Q2 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 Q4 FY 24-25					148,888,630
Year End Reserve Deposit					25,291,571
Reserve Balance as of Q2 FY2025-26					174,180,201
Reserve as a Percentage of Medi-Cal, Medicare & Other Patient Revenue					5.00%

Department of Public Health
STATEMENT OF REVENUE AND EXPENSES
December 31, 2025
(In Millions of Dollars)

	CURRENT YEAR					
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Fav/(Unfav)</u>		
				<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:						
1 Medi-Cal Revenue	846.74	777.35	777.35	69.39	8.9%	1
2 Medicare Revenue	274.50	290.59	290.59	(16.09)	-5.5%	2
3 Prior Year Settlement	25.89	23.00	23.00	2.89	12.6%	3
4 Other Patient Revenue	133.21	159.63	159.63	(26.41)	-16.5%	4
5 TOTAL PATIENT SERVICE REVENUE	1,280.35	1,250.57	1,250.57	29.78	2.4%	5
6						6
7 OTHER OPERATING REVENUE:						7
8 Medi-Cal Waiver	169.05	164.11	150.87	4.94	3.0%	8
9 Medi-Cal Managed Care Supplemental	337.36	333.50	297.26	3.87	1.2%	9
10 Other Medi-Cal	76.89	76.88	71.54	0.01	0.0%	10
11 Healthy San Francisco Fees	1.36	1.52	1.52	(0.16)	-10.6%	11
12 SAPT	-	-	-	-	0.0%	12
13 Capitation Fees / Health Plan Settlements	82.02	85.32	85.32	(3.30)	-3.9%	13
14 2011 Realignment	63.48	63.48	63.48	-	0.0%	14
15 1991 Health & Welfare Realignment	164.86	164.86	164.86	-	0.0%	15
16 Fees/Fines/Licenses	17.03	17.49	17.49	(0.46)	-2.7%	16
17 Other State/Misc	29.03	30.57	30.57	(1.54)	-5.0%	17
18 Revenues from Other Departments	8.73	8.73	8.71	-	0.0%	18
19 Use of Fund Balance	-	-	-	-	0.0%	19
20 TOTAL OTHER OPERATING REVENUE	949.81	946.46	891.62	3.35	0.4%	20
21						21
22 TOTAL OPERATING REVENUE	2,230.15	2,197.03	2,142.19	33.12	1.5%	22
23						23
24 OPERATING EXPENSES:						24
25 Salaries	1,147.50	1,122.60	1,122.60	(24.90)	-2.2%	25
26 Mandatory Fringe Benefits	398.58	407.45	407.45	8.87	2.2%	26
27 Non-Personnel Services	723.68	730.13	716.34	6.45	0.9%	27
28 Materials & Supplies	237.95	239.78	231.07	1.84	0.8%	28
29 Capital Outlay	10.84	10.88	7.46	0.03	0.3%	29
30 Debt Service	10.19	10.20	10.20	0.00	0.0%	30
31 Services Of Other Depts	137.02	136.91	130.88	(0.11)	-0.1%	31
32 Annual Projects	137.47	145.24	136.04	7.77	5.3%	32
34 TOTAL OPERATING EXPENSES	2,803.24	2,803.19	2,762.04	(0.05)	0.0%	34
35						35
36 TOTAL NET OPERATING	(573.09)	(606.16)	(619.85)	33.08	-5.5%	36
42						42
43 GENERAL FUND SUPPORT	826.86	847.92	642.25	(45.15)	-5.3%	43

Department of Public Health - Zuckerberg San Francisco General Hospital Division

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
				<u>Original</u>	<u>Fav/(Unfav)</u>		
		<u>Projection</u>	<u>Revised Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	318.36	331.32	331.32	(12.96)	-3.9%	1
2	Medicare Revenue	253.44	262.38	262.38	(8.94)	-3.4%	2
3	Prior Year Settlement	9.00	19.00	19.00	(10.00)	-52.6%	3
4	Other Patient Revenue	131.86	157.09	157.09	(25.23)	-16.1%	4
5	TOTAL PATIENT SERVICE REVENUE	712.7	769.8	769.8	(57.1)	-7.4%	5
6							6
7	OTHER OPERATING REVENUE:						7
8	Medi-Cal Waiver	169.0	164.1	150.9	4.9	3.0%	8
9	Medi-Cal Managed Care Supplemental	254.2	257.7	221.5	(3.5)	-1.4%	9
10	Other Medi-Cal	72.0	69.5	64.1	2.5	3.6%	10
11	Healthy San Francisco Fees	-	-	-	-	0.0%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	73.0	71.8	71.8	1.2	1.7%	13
14	2011 Realignment	-	-	-	-	0.0%	14
15	1991 Health & Welfare Realignment	64.4	64.4	64.4	-	0.0%	15
16	Fees/Fines/Licenses	-	-	-	-	0.0%	16
17	Other State/Misc	17.5	18.9	18.9	(1.5)	-7.7%	17
18	Revenues from Other Departments	7.6	7.6	7.6	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	657.7	654.0	599.2	3.7	0.6%	20
21							21
22	TOTAL OPERATING REVENUE	1,370.4	1,423.8	1,369.0	(53.4)	-3.8%	22
23							23
24	OPERATING EXPENSES:						24
25	Salaries	572.5	552.0	552.0	(20.5)	-3.7%	25
26	Mandatory Fringe Benefits	195.7	199.2	199.2	3.5	1.7%	26
27	Non-Personnel Services	327.8	321.1	316.5	(6.7)	-2.1%	27
28	Materials & Supplies	185.6	182.3	179.1	(3.4)	-1.8%	28
29	Capital Outlay	9.1	9.1	6.4	-	0.0%	29
30	Debt Service	1.2	1.2	1.2	-	0.0%	30
31	Services Of Other Depts	72.3	72.3	71.6	-	0.0%	31
32	Annual Projects	3.1	3.1	2.1	-	0.0%	32
34	TOTAL OPERATING EXPENSES	1,367.4	1,340.2	1,328.1	(27.1)	-2.0%	34
35							35
36	TOTAL NET OPERATING	3.0	83.6	40.9	(80.6)	-96.4%	36
42							42
43	GENERAL FUND SUPPORT	3.0	83.6	40.9	(80.6)	-96.4%	43

Department of Public Health - Laguna Honda

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
		Fav/(Unfav)					
	<u>Projection</u>	<u>Revised Budget</u>	<u>Original Budget</u>	<u>Variance</u>	<u>% Var</u>		
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	270.78	250.68	250.68	20.10	8.0%	1
2	Medicare Revenue	8.40	17.63	17.63	(9.23)	-52.3%	2
3	Prior Year Settlement	12.89	-	-	12.89	0.0%	3
4	Other Patient Revenue	-	0.79	0.79	(0.79)	-100.0%	4
5	TOTAL PATIENT SERVICE REVENUE	292.08	269.10	269.10	22.98	8.5%	5
6							6
OTHER OPERATING REVENUE:							
8	Medi-Cal Waiver	-	-	-	-	0.0%	8
9	Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10	Other Medi-Cal	-	-	-	-	0.0%	10
11	Healthy San Francisco Fees	-	-	-	-	0.0%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	-	-	-	-	0.0%	13
14	2011 Realignment	-	-	-	-	0.0%	14
15	1991 Health & Welfare Realignment	-	-	-	-	0.0%	15
16	Fees/Fines/Licenses	-	-	-	-	0.0%	16
17	Other State/Misc	0.84	0.84	0.84	-	0.0%	17
18	Revenues from Other Departments	-	-	-	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	0.84	0.84	0.84	-	0.0%	20
21							21
22	TOTAL OPERATING REVENUE	292.92	269.94	269.94	22.98	8.5%	22
23							23
OPERATING EXPENSES:							
25	Salaries	191.43	191.28	191.28	(0.15)	-0.1%	25
26	Mandatory Fringe Benefits	70.32	76.18	76.18	5.86	7.7%	26
27	Non-Personnel Services	19.58	22.44	18.33	2.87	12.8%	27
28	Materials & Supplies	22.83	22.51	20.63	(0.32)	-1.4%	28
29	Capital Outlay	1.32	1.32	0.78	-	0.0%	29
30	Debt Service	-	-	-	-	0.0%	30
31	Services Of Other Depts	24.34	25.13	25.00	0.79	3.1%	31
32	Annual Projects	2.16	2.16	1.79	-	0.0%	32
34	TOTAL OPERATING EXPENSES	331.97	341.01	333.99	9.05	2.7%	34
35							35
36	TOTAL NET OPERATING	(39.05)	(71.07)	(64.05)	32.03	-45.1%	36
42							42
43	GENERAL FUND SUPPORT	56.77	76.78	64.65	44.10	57.4%	43

Department of Public Health - Primary Care Clinics

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
				<u>Original</u>	<u>Fav/(Unfav)</u>		
		<u>Projection</u>	<u>Revised Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	19.30	15.35	15.35	3.95	25.7%	1
2	Medicare Revenue	6.51	4.96	4.96	1.55	31.2%	2
3	Prior Year Settlement	-	-	-	-	0.0%	3
4	Other Patient Revenue	-	0.14	0.14	(0.14)	-100.0%	4
5	TOTAL PATIENT SERVICE REVENUE	25.81	20.46	20.46	5.35	26.2%	5
6							6
7	OTHER OPERATING REVENUE:						7
8	Medi-Cal Waiver	-	-	-	-	0.0%	8
9	Medi-Cal Managed Care Supplemental	83.13	75.78	75.78	7.35	9.7%	9
10	Other Medi-Cal	-	-	-	-	0.0%	10
11	Healthy San Francisco Fees	-	-	-	-	0.0%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	8.68	13.25	13.25	(4.57)	-34.5%	13
14	2011 Realignment	-	-	-	-	0.0%	14
15	1991 Health & Welfare Realignment	-	-	-	-	0.0%	15
16	Fees/Fines/Licenses	-	-	-	-	0.0%	16
17	Other State/Misc	0.18	0.18	0.18	-	0.0%	17
18	Revenues from Other Departments	0.41	0.41	0.41	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	92.39	89.62	89.62	2.77	3.1%	20
21							21
22	TOTAL OPERATING REVENUE	118.20	110.08	110.08	8.13	7.4%	22
23							23
24	OPERATING EXPENSES:						24
25	Salaries	81.42	80.96	80.96	(0.46)	-0.6%	25
26	Mandatory Fringe Benefits	26.91	26.84	26.84	(0.07)	-0.3%	26
27	Non-Personnel Services	27.77	27.57	28.19	(0.20)	-0.7%	27
28	Materials & Supplies	5.30	6.04	5.50	0.74	12.2%	28
29	Capital Outlay	0.04	0.08	0.04	0.04	45.1%	29
30	Debt Service	-	-	-	-	0.0%	30
31	Services Of Other Depts	4.10	4.88	4.89	0.78	16.1%	31
81	Annual Projects	0.36	0.46	0.39	0.10	21.5%	32
34	TOTAL OPERATING EXPENSES	145.90	146.83	146.80	0.93	0.6%	34
35							35
36	TOTAL NET OPERATING	(27.70)	(36.75)	(36.73)	9.05	-24.6%	36
42							42
43	GENERAL FUND SUPPORT				9.05	17.8%	43

Department of Public Health - Health Network Division

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
				<u>Original</u>	<u>Fav/(Unfav)</u>		
		<u>Projection</u>	<u>Revised Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	17.14	12.59	12.59	4.55	36.1%	1
2	Medicare Revenue	3.03	2.26	2.26	0.77	33.8%	2
3	Prior Year Settlement	-	-	-	-	0.0%	3
4	Other Patient Revenue	0.31	0.21	0.21	0.10	50.9%	4
5	TOTAL PATIENT SERVICE REVENUE	20.48	15.06	15.06	5.42	36.0%	5
6							6
7	OTHER OPERATING REVENUE:						7
8	Medi-Cal Waiver	-	-	-	-	0.0%	8
9	Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10	Other Medi-Cal	0.86	0.90	0.90	(0.04)	-4.9%	10
11	Healthy San Francisco Fees	1.36	1.52	1.52	(0.16)	-10.6%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	0.38	0.30	0.30	0.08	27.6%	13
14	2011 Realignment	-	-	-	-	0.0%	14
15	1991 Health & Welfare Realignment	1.38	1.38	1.38	-	0.0%	15
16	Fees/Fines/Licenses	0.60	1.30	1.30	(0.70)	-54.1%	16
17	Other State/Misc	5.42	4.60	4.60	0.82	17.8%	17
18	Revenues from Other Departments	0.27	0.27	0.27	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	10.27	10.27	10.27	(0.00)	0.0%	20
21							21
22	TOTAL OPERATING REVENUE	30.75	25.33	25.33	5.41	21.4%	22
23							23
24	OPERATING EXPENSES:						24
25	Salaries	75.00	75.88	75.88	0.88	1.2%	25
26	Mandatory Fringe Benefits	24.31	26.70	26.70	2.39	8.9%	26
27	Non-Personnel Services	48.62	53.18	49.16	4.56	8.6%	27
28	Materials & Supplies	0.74	1.75	1.38	1.01	57.6%	28
29	Capital Outlay	0.18	0.18	0.18	(0.00)	-1.3%	29
30	Debt Service	-	-	-	-	0.0%	30
31	Services Of Other Depts	0.98	1.40	0.93	0.42	29.9%	31
32	Annual Projects	37.35	41.72	38.30	4.36	10.5%	32
34	TOTAL OPERATING EXPENSES	187.19	200.80	192.53	13.61	6.8%	34
35							35
36	TOTAL NET OPERATING	(156.45)	(175.47)	(167.20)	19.02	-10.8%	36
42							42
43	GENERAL FUND SUPPORT				19.02	7.6%	43

Department of Public Health - Behavioral Health Division

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
				<u>Original</u>	<u>Fav/(Unfav)</u>		
		<u>Projection</u>	<u>Revised Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	205.52	158.72	158.72	46.80	29.5%	1
2	Medicare Revenue	3.08	3.10	3.10	(0.02)	-0.5%	2
3	Prior Year Settlement	4.00	4.00	4.00	-	0.0%	3
4	Other Patient Revenue	0.24	0.48	0.48	(0.24)	-50.0%	4
5	TOTAL PATIENT SERVICE REVENUE	212.84	166.30	166.30	46.54	28.0%	5
6							6
7	OTHER OPERATING REVENUE:						7
8	Medi-Cal Waiver	-	-	-	-	0.0%	8
9	Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10	Other Medi-Cal	1.72	3.70	3.70	(1.98)	-53.5%	10
11	Healthy San Francisco Fees	-	-	-	-	0.0%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	-	-	-	-	0.0%	13
14	2011 Realignment	63.48	63.48	63.48	-	0.0%	14
15	1991 Health & Welfare Realignment	57.09	57.09	57.09	-	0.0%	15
16	Fees/Fines/Licenses	-	-	-	-	0.0%	16
17	Other State/Misc	3.99	5.06	5.06	(1.07)	-21.2%	17
18	Revenues from Other Departments	-	-	-	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	126.28	129.33	129.33	(3.05)	-2.4%	20
21							21
22	TOTAL OPERATING REVENUE	339.1	295.6	295.6	43.5	14.7%	22
23							23
24	OPERATING EXPENSES:						24
25	Salaries	90.9	89.1	89.1	(1.7)	-1.9%	25
26	Mandatory Fringe Benefits	29.5	29.4	29.4	(0.2)	-0.6%	26
27	Non-Personnel Services	266.4	273.4	273.6	7.1	2.6%	27
28	Materials & Supplies	8.6	12.5	10.4	3.8	30.8%	28
29	Capital Outlay	0.2	0.2	-	-	0.0%	29
30	Debt Service	-	-	-	-	0.0%	30
31	Services Of Other Depts	9.3	9.4	6.0	0.2	1.9%	31
32	Annual Projects	2.6	3.1	3.1	0.5	16.2%	32
34	TOTAL OPERATING EXPENSES	407.4	417.1	411.5	9.7	2.3%	34
35							35
36	TOTAL NET OPERATING	(68.3)	(121.5)	(115.9)	53.2	-43.8%	36
42							42
43	GENERAL FUND SUPPORT				53.2	37.2%	43

Department of Public Health - Population Health Division

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

	CURRENT YEAR					
	Projection	Revised Budget	Original	Fav/(Unfav)		
			Budget	Variance	% Var	
NET PATIENT SERVICE REVENUE:						
1 Medi-Cal Revenue	2.69	1.65	1.65	1.03	62.4%	1
2 Medicare Revenue	0.04	0.25	0.25	(0.22)	-86.0%	2
3 Prior Year Settlement	-	-	-	-	0.0%	3
4 Other Patient Revenue	0.81	0.92	0.92	(0.11)	-12.4%	4
5 TOTAL PATIENT SERVICE REVENUE	3.53	2.82	2.82	0.70	24.9%	5
6						6
7 OTHER OPERATING REVENUE:						7
8 Medi-Cal Waiver	-	-	-	-	0.0%	8
9 Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10 Other Medi-Cal	0.26	0.75	0.75	(0.49)	-64.9%	10
11 Healthy San Francisco Fees	-	-	-	-	0.0%	11
12 SAPT	-	-	-	-	0.0%	12
13 Capitation Fees / Health Plan Settlements	-	-	-	-	0.0%	13
14 2011 Realignment	-	-	-	-	0.0%	14
15 1991 Health & Welfare Realignment	-	-	-	-	0.0%	15
16 Fees/Fines/Licenses	16.41	16.17	16.17	0.24	1.5%	16
17 Other State/Misc	0.90	0.72	0.72	0.17	23.7%	17
18 Revenues from Other Departments	-	-	-	-	0.0%	18
19 Use of Fund Balance	-	-	-	-	0.0%	19
20 TOTAL OTHER OPERATING REVENUE	17.57	17.64	17.64	(0.08)	-0.4%	20
21						21
22 TOTAL OPERATING REVENUE	21.10	20.47	20.47	0.63	3.1%	22
23						23
24 OPERATING EXPENSES:						24
25 Salaries	47.18	49.95	49.95	2.77	5.6%	25
26 Mandatory Fringe Benefits	16.08	17.59	17.59	1.51	8.6%	26
27 Non-Personnel Services	25.13	26.53	25.23	1.40	5.3%	27
28 Materials & Supplies	4.39	5.93	4.13	1.53	25.9%	28
29 Capital Outlay	0.02	0.02	0.02	-	0.0%	29
30 Debt Service	-	-	-	-	0.0%	30
31 Services Of Other Depts	5.92	5.87	5.85	(0.06)	-1.0%	31
32 Annual Projects	2.06	2.28	1.41	0.21	9.4%	32
34 TOTAL OPERATING EXPENSES	100.78	108.16	104.19	7.38	6.8%	34
35						35
36 TOTAL NET OPERATING	(79.69)	(87.69)	(83.72)	8.00	-9.1%	36
42						42
43 GENERAL FUND SUPPORT				8.00	8.5%	43

Department of Public Health - Jail Health Division

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

		CURRENT YEAR					
				<u>Original</u>	<u>Fav/(Unfav)</u>		
		<u>Projection</u>	<u>Revised Budget</u>	<u>Budget</u>	<u>Variance</u>	<u>% Var</u>	
NET PATIENT SERVICE REVENUE:							
1	Medi-Cal Revenue	12.96	7.04	7.04	5.92	84.1%	1
2	Medicare Revenue	-	-	-	-	0.0%	2
3	Prior Year Settlement	-	-	-	-	0.0%	3
4	Other Patient Revenue	-	-	-	-	0.0%	4
5	TOTAL PATIENT SERVICE REVENUE	12.96	7.04	7.04	5.92	84.1%	5
6							6
7	OTHER OPERATING REVENUE:						7
8	Medi-Cal Waiver	-	-	-	-	0.0%	8
9	Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10	Other Medi-Cal	-	-	-	-	0.0%	10
11	Healthy San Francisco Fees	-	-	-	-	0.0%	11
12	SAPT	-	-	-	-	0.0%	12
13	Capitation Fees / Health Plan Settlements	-	-	-	-	0.0%	13
14	2011 Realignment	-	-	-	-	0.0%	14
15	1991 Health & Welfare Realignment	-	-	-	-	0.0%	15
16	Fees/Fines/Licenses	0.03	0.03	0.03	-	0.0%	16
17	Other State/Misc	-	-	-	-	0.0%	17
18	Revenues from Other Departments	0.46	0.46	0.46	-	0.0%	18
19	Use of Fund Balance	-	-	-	-	0.0%	19
20	TOTAL OTHER OPERATING REVENUE	0.49	0.49	0.49	-	0.0%	20
21							21
22	TOTAL OPERATING REVENUE	13.44	7.53	7.53	5.92	78.6%	22
23							23
24	OPERATING EXPENSES:						24
25	Salaries	34.54	32.32	32.32	(2.22)	-6.9%	25
26	Mandatory Fringe Benefits	9.91	10.38	10.38	0.47	4.5%	26
27	Non-Personnel Services	2.74	2.74	2.36	-	0.0%	27
28	Materials & Supplies	9.91	8.23	9.57	(1.69)	-20.5%	28
29	Capital Outlay	0.02	0.02	0.02	-	0.0%	29
30	Debt Service	-	-	-	-	0.0%	30
31	Services Of Other Depts	0.43	0.43	0.33	-	0.0%	31
32	Annual Projects	-	-	-	-	0.0%	32
34	TOTAL OPERATING EXPENSES	57.55	54.12	54.99	(3.43)	-6.3%	34
35							35
36	TOTAL NET OPERATING	(44.11)	(46.59)	(47.46)	2.49	-5.3%	36
42							42
43	GENERAL FUND SUPPORT	44.11	46.59	47.46	2.49	5.3%	43

Department of Public Health - Operations

STATEMENT OF REVENUE AND EXPENSES

December 31, 2025

(In Millions of Dollars)

	CURRENT YEAR					
	Projection	Revised Budget	Original	Fav/(Unfav)		
			Budget	Variance	% Var	
NET PATIENT SERVICE REVENUE:						
1 Medi-Cal Revenue	-	-	-	-	0.0%	1
2 Medicare Revenue	-	-	-	-	0.0%	2
3 Prior Year Settlement	-	-	-	-	0.0%	3
4 Other Patient Revenue	-	-	-	-	0.0%	4
5 TOTAL PATIENT SERVICE REVENUE	-	-	-	-	0.0%	5
6						6
7 OTHER OPERATING REVENUE:						7
8 Medi-Cal Waiver	-	-	-	-	0.0%	8
9 Medi-Cal Managed Care Supplemental	-	-	-	-	0.0%	9
10 Other Medi-Cal	2.05	2.05	2.05	-	0.0%	10
11 Healthy San Francisco Fees	-	-	-	-	0.0%	11
12 SAPT	-	-	-	-	0.0%	12
13 Capitation Fees / Health Plan Settlements	-	-	-	-	0.0%	13
14 2011 Realignment	-	-	-	-	0.0%	14
15 1991 Health & Welfare Realignment	41.96	41.96	41.96	-	0.0%	15
16 Fees/Fines/Licenses	-	-	-	-	0.0%	16
17 Other State/Misc	0.22	0.22	0.22	-	0.0%	17
18 Revenues from Other Departments	-	-	-	-	0.0%	18
19 Use of Fund Balance	-	-	-	-	0.0%	19
20 TOTAL OTHER OPERATING REVENUE	44.23	44.23	44.23	-	0.0%	20
21						21
22 TOTAL OPERATING REVENUE	44.23	44.23	44.23	-	0.0%	22
23						23
24 OPERATING EXPENSES:						24
25 Salaries	54.56	51.03	51.03	(3.53)	-6.9%	25
26 Mandatory Fringe Benefits	25.81	21.22	21.22	(4.59)	-21.6%	26
27 Non-Personnel Services	5.69	3.17	2.98	(2.52)	-79.7%	27
28 Materials & Supplies	0.50	0.58	0.45	0.08	14.4%	28
29 Capital Outlay	-	-	-	-	0.0%	29
30 Debt Service	9.01	9.02	9.02	0.00	0.0%	30
31 Services Of Other Depts	19.67	17.45	16.26	(2.23)	-12.8%	31
32 Annual Projects	89.85	92.45	88.99	2.60	2.8%	32
34 TOTAL OPERATING EXPENSES	205.11	194.92	189.95	(10.19)	-5.2%	34
35						35
36 TOTAL NET OPERATING	(160.88)	(150.69)	(145.72)	(10.19)	6.8%	36
42						42
43 GENERAL FUND SUPPORT				(10.19)	-5.2%	43