

San Francisco Health Service System Proposed FY 2021-22 and FY 2022-23 Health Care Sustainability Budget

February 10, 2021

Health Service System Finance Committee

Historical Summary

Table I. A. Summary - Historic Actuals							
	FY 2013-14 ACTUALS	FY 2014-15 ACTUALS	FY 2015-16 ACTUALS	FY 2016-17 ACTUALS	FY 2017-18 ACTUALS	FY 2018-19 ACTUALS	FY 2019-20 ACTUALS
Annual Revenues	\$ 1,522,908	\$ 1,563,884	\$ 1,616,238	\$ 2,042,678	\$ 2,533,833	\$ 2,541,882	\$ 2,563,606
Carryforward	345,455	1,079,129	1,471,309	1,715,632	2,506,982	3,399,818	3,909,772
Total Revenues	\$ 1,868,363	\$ 2,643,013	\$ 3,087,547	\$ 3,758,310	\$ 5,040,815	\$ 5,941,700	\$ 6,473,378
Annual Expenditures					\$ 1,101,969	\$ 1,592,057	\$ 1,847,958
One-Time Expenditures					\$ 539,027	\$ 439,871	\$ 352,042
Annual and One-Time Expenditures	789,234	1,171,704	1,371,915	1,251,328	1,640,996	2,031,928	\$ 2,200,001
Revenues Less Expenditures	\$ 1,079,129	\$ 1,471,309	\$ 1,715,632	\$ 2,506,982	\$ 3,399,818	\$ 3,909,772	\$ 4,273,377
% YOY Change Revenues		3%	3%	26%	24%	0%	1%
% YOY Change Expenses		48%	17%	-9%	31%	24%	8%
% Expenditures/Annual Revenue		74.92%	84.88%	61.26%	64.76%	79.94%	85.82%

- Expenditures average ~75% of the revenue receive for the Healthcare Sustainability Fund
- Annual surpluses carry forward to fund larger one-time projects

Budget Highlights

Annual Expenditures

- Performing Dependent Eligibility Verification Audit in house
- Multi-faceted Platform for Well-Being Challenges

One-time Expenditures

- VOIP enhancements and connection to Customer Relationship Management System (CRM)
- PeopleSoft Programming for eBenefits
- Operations Technical Process Improvement
- Consultant for Audits and Assistance for Medical Services RFP
- Website redesign for better user experience and expansion of options

Personnel: Positions, Salaries & Mandatory Fringe Benefits

Table II - Healthcare Sustainability Fund - FTEs, Personnel Costs						
	FY 2020-21 Revised Budget	FY 2020-21 Projection	FY 2021-22 Budget Chg Requested to Revised FY 2020- 21	FY2021-22 Budget Request	FY 2022-23 Budget Chg Requested to FY 2021-22	FY2022-23 Budget Request
FTE's	7.61	7.61	2.10	9.71	0.50	10.21
Personnel	\$ 1,377,266	\$ 1,377,266	\$ 680,978	\$ 2,058,244	\$ 102,731	\$ 2,160,975

- Two new project staff needed to support implementation of health plans
 - Third project staff anticipated for subsequent implementations
- Reclassification of a position for implementation of new health plans results in base changes in salary & mandatory fringes

Summary

Healthcare Sustainability Trust Fund

FY21-22

- Base
- Proposed
- Change

FY22-23

- Base
- Proposed
- Change

Table III - Healthcare Sustainability Fund by Expenditure Category						
	FY 2020-21 Revised Budget	FY 2020-21 Projection	FY 2021-22 Budget Chg Requested to Revised FY 2020-21	FY2021-22 Budget Request	FY 2022-23 Budget Chg Requested to FY 2021-22	FY2022-23 Budget Request
REVENUES/PREMIUMS						
Annual Revenues	\$ 2,560,688	\$ 2,560,688	\$ 18,208	\$ 2,578,896	\$ 6,447	\$ 2,585,343
Carryforward from fund balance	4,401,072	4,401,072	(385,081)	4,015,992	(1,446,714)	2,220,296
TOTAL	\$ 6,961,760	\$ 6,961,760	\$ (366,873)	\$ 6,594,887	\$ (1,440,267)	\$ 4,805,639
ANNUAL EXPENDITURES						
Personnel	\$ 1,377,266	\$ 1,377,266	\$ 680,978	\$ 2,058,244	\$ 102,731	\$ 2,160,975
Communications						
Open Enrollment	\$ 350,000	\$ 350,000	\$ (30,000)	\$ 320,000	\$ -	\$ 320,000
Operations Communication	381,572	206,944	35,928	417,500	(242,500)	175,000
Well-Being Communications	190,659	43,000	18,841	209,500	(155,000)	54,500
Other Communications	59,010	56,929	(28,590)	30,420	(650)	29,770
Total Communications	\$ 981,241	\$ 656,873	\$ (3,821)	\$ 977,420	\$ (398,150)	\$ 579,270
Well-Being	\$ 364,507	\$ 120,000	\$ (231,507)	\$ 133,000	\$ 1,000	\$ 134,000
Initiatives to Reduce Health Care Costs	302,000	295,000	48,000	350,000	(7,000)	343,000
Board Transcription Services/SFGOV	35,343	35,343	(15,343)	20,000	-	20,000
Other: Contingency	-	-	-	-	-	-
TOTAL ANNUAL ANNUAL EXPENDITURES	\$ 3,060,357	\$ 2,484,482	\$ 478,308	\$ 3,538,664	\$ (301,419)	\$ 3,237,245
ONE-TIME EXPENDITURES						
Communications						
Open Enrollment Communications	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000
Operations Communications	530,800	51,550	26,200	557,000	(432,500)	\$ 124,500
Other Communications	185,500	51,500	(25,400)	160,100	(57,500)	\$ 102,600
Total Communications	\$ 726,300	\$ 113,050	\$ 800	\$ 727,100	\$ (490,000)	\$ 237,100
Well-Being	\$ 48,237	\$ 48,237	\$ 1,763	\$ 50,000	\$ (50,000)	\$ -
Initiatives to Reduce Health Care Costs	300,000	300,000	(241,173)	58,827	(22,998)	\$ 35,829
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TOTAL ONE-TIME EXPENDITURES	\$ 1,074,537	\$ 461,287	\$ (238,610)	\$ 835,927	\$ (562,998)	\$ 272,929
GRAND TOTAL EXPENDITURES	\$ 4,134,894	\$ 2,945,769	\$ 239,698	\$ 4,374,591	\$ (864,417)	\$ 3,510,174
BALANCE	\$ 2,826,867	\$ 4,015,992	\$ (606,570)	\$ 2,220,296	\$ (575,850)	\$ 1,295,465

*Projection based on 6 months of actuals including the carryforward funding from FY 2019-20

Current - Future Year Projections

Table I. B Summary - Prior Year-end Actual, Current Projected Year-end & Budget, Proposed Budget						
	FY 2019-20 ACTUALS	FY 2020-21 Projection	FY 2020-21 REVISED BUDGET	FY 2021-22 PROPOSED BUDGET	FY 2022-23 PROPOSED BUDGET	FY 2023-24 PROFORMA
Annual Revenues	\$ 2,563,606	\$ 2,560,688	\$ 2,560,688	\$ 2,578,896	\$ 2,585,343	\$ 2,591,806
Carryforward	3,909,772	4,401,072	4,401,072	4,015,992	2,220,296	1,295,465
Total Revenues	\$ 6,473,378	\$ 6,961,760	\$ 6,961,760	\$ 6,594,887	\$ 4,805,639	\$ 3,887,271
Annual Expenditures	\$ 1,847,958	\$ 2,484,482	\$ 3,060,357	\$ 3,538,664	\$ 3,237,245	\$ 3,387,955
One-Time Expenditures	352,042	461,287	1,074,537	835,927	272,929	554,428
Annual and One-Time Expenditures	\$ 2,200,001	\$ 2,945,769	\$ 4,134,894	\$ 4,374,591	\$ 3,510,174	\$ 3,942,383
Revenues Less Expenditures	\$ 4,273,377	\$ 4,015,992	\$ 2,826,867	\$ 2,220,296	\$ 1,295,465	\$ (55,111)
% YOY Change Revenues		-0.11%	-0.11%	0.71%	0.59%	0.2%
% YOY Change Expenses		34%	88%	6%	-6%	12%
% Expenditures/Annual Revenue	85.82%	115.04%	161.48%	169.63%	135.77%	152.11%

- Revenues funded by health plan member enrollment stays relatively flat
- One-time projects and annual member activities increase over time
- Projected to draw down towards deficit in FY23-24