



JONATHAN E. FIELDING, M.D., M.P.H.  
Director and Health Officer

JONATHAN E. FREEDMAN  
Acting Chief Deputy

313 North Figueroa Street, Room 806  
Los Angeles, California 90012  
TEL (213) 240-8156 • FAX (213) 481-2739

[www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)

BOARD OF SUPERVISORS

Gloria Molina  
First District

Yvonne B. Burke  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

May 6, 2008

TO: William T Fujioka  
Chief Executive Officer

FROM: Jonathan E. Fielding, M.D., M.P.H. *J. Fielding ms*  
Director and Health Officer

SUBJECT: **FISCAL YEAR 2008-09 DEFICIT MITIGATION PLAN**

This is to provide you with a mitigation plan (Attachment I) addressing the Department of Public Health's (DPH) budget deficit for Fiscal Year (FY) 2008-09. Narrative describing each action is detailed in Attachment II.

## BACKGROUND

Our FY 2008-09 forecasted deficit of \$5.69 million represents a decrease of Vehicle License Fees (VLF) revenues and a Net County Cost (NCC) reduction determined by your office of \$4.90 million, and \$.720 million needed for DPH to fund risk management and deferred maintenance needs.

## APPROACH AND PLAN

A DPH Deficit Management Workgroup was formed and tasked with developing recommendations to address the budget shortfall. The Workgroup worked with DPH programs to identify potential increased revenues and operational savings. For this plan, DPH considered the overall reduction target as permanent and only considered ongoing savings.

DPH is currently operating with fewer administrative resources (i.e. human resources, budget and finance, contracts and grants, materials management) than required to function effectively. The administrative infrastructure is insufficiently staffed to assure compliance with policies, standards, and mandates. Administrative staffing ratios are significantly lower than other comparable County departments. The Workgroup determined that curtailments in the centralized administrative areas would result in poor functioning across the Department and reverse recent efforts to strengthen this area. Consequently, this plan does not include administrative curtailments.

The following are recommendations from the Deficit Management Workgroup:

### **Revenues**

*Medi-Cal Targeted Case Management (TCM):* \$0.960 million

New revenues in the amount of \$.960 million have been identified by increased Medi-Cal claiming for TCM costs in the DPH Nurse Family Partnership program.

### **Operational Savings and Efficiencies**

*Community Health Services Re-Configuration:* \$0.580 million

The DPH Community Health Services (CHS) Division is responsible for the TB and STD public health clinics, and public health field operations such as public health nursing and public health investigation. The Workgroup has identified \$.58 million in savings by eliminating four Area Medical Director (AMD) positions. Each CHS Service Planning Area (SPA) has historically had a medical director. However, CHS has been working with other DPH programs to streamline their work processes to create efficiencies, and this will result in reduced need for Area Medical Directors to travel among clinics to review and sign off on communicable disease cases. In addition, the smaller SPAs have had less need for a full-time medical director, and two of the positions are currently vacant. It is not anticipated that a reduction of these positions will diminish day-to-day public health services. However, the reduction of four management physicians from within CHS will increase the burden and workload demand on the four remaining AMDs and could limit emergency response capabilities and reduce DPH capacity to engage in prevention and intervention of non-communicable diseases at the community level.

*DPH Hotline Services:* \$0.260 million

A total of \$.260 million in savings has been identified by eliminating five positions for DPH-provided hotline services to the public that are currently provided by the 211 system with DPH financial support. The 211 system currently provides hotline coverage after-hours and on weekends and holidays. The existing DPH hotline number will remain unchanged, but it will roll over to 211.

*Children's Medical Services:* \$0.490 million

A total of \$.490 million in savings has been identified by shifting two PHS NCC positions to CMS funding streams and savings associated with the County share of provider Medi-Cal rates which were reduced 10 percent by the State effective July 1, 2008.

*Alcohol and Drug Program Administration:* \$0.370 million

A total of \$.370 million in savings has been identified with the recent increase of Proposition 36 funding allowing ADPA to redirect discretionary funds to finance the Drug Court and Methamphetamine programs, which were previously funded with NCC. As a result, there will be no service impact.

*Grant-Funded Positions:* \$1.260 million

A total of \$1.260 million in savings has been identified by eliminating 10 NCC grant items no longer funded and by mitigating five NCC positions against grant funded positions.

*Information Systems:* \$0.350 million

A total of \$.350 million in savings has been identified in services and supplies related to DPH Information Systems. DPH will seek to shift certain information technology projects to grant funding sources and prioritize remaining projects to meet available NCC levels.

*Other Reductions:* \$1.428 million

A total of \$1.428 million in savings has been identified by a small reduction to certain services and supplies, the re-engineering of functions and reallocation of job responsibilities which eliminates 14 positions. These actions will significantly reduce our ability to deal with workload fluctuations, peak demand and emergency situations and may create backlogs and/or create delays in services.

Program Areas affected:

Communicable Disease Prevention and Control Program

Items Impacted: Health Education Assistant  
Epidemiologist  
Animal Sanitation Inspector  
Public Health Microbiologist Sup I  
Laboratory Assistant  
Staff Assistant II  
Clerical Positions (2)

Community Health Services

Items Impacted: As Needed Physician

Medical Director Office

Items Impacted: Clerical (1)

Health Assessment

Items Impacted: Staff Analyst  
Epidemiology Analyst  
Clerical (2)

William T Fujioka  
May 6, 2008  
Page 4

## POTENTIAL ADDITIONAL REDUCTIONS

The above plan does not reflect potential additional reductions that are under consideration in the State budget process and by the Department of Public Social Services.

*Potential State Budget Reductions:* \$13.0 million

A total of \$13 million in reductions that directly affect DPH programs is under consideration in the Legislature. The reductions include \$0.700 million in HIV/AIDS counseling and testing, health education and risk reduction, and case management services; \$.204 million in Maternal and Child Health programs; and \$6.6 million in Alcohol and Drug Programs. These State General Fund reductions would also cause a loss of Federal funds totaling approximately \$.400 million.

Additionally, the DPH California Children's Services (CCS) Program is facing a \$5.5 million funding loss associated with a 10% overall reduction under consideration in the Legislature. A reduction of this magnitude will have a major adverse effect on the CCS Program. DPH is evaluating the potential impact of this proposed reduction; however, it is clear that a funding loss of this magnitude will cause reductions in services and staffing.

Department of Public Social Services (DPSS): \$5.0 million

Recently, DPH was informed by DPSS of proposed reduction in CalWORKs supportive services funding for Alcohol and Drug Program in the amount of \$5 million. DPH is in discussions with DPSS to identify ways to avoid this reduction.

## OVERALL IMPACT

The overall FY 2008-09 budgetary impact to DPH of the deficit as well as the potential additional reductions noted is \$24.09 million. Additional curtailments will have to be identified to mitigate the effects of the State or DPSS reductions.

If you have any questions or need additional information, please let me know.

JEF:MDY:lsm

c: Each Supervisor  
Sheila Shima  
Richard Mason  
Jonathan E. Freedman  
Miles D. Yokota

**COUNTY OF LOS ANGELES - DEPARTMENT OF PUBLIC HEALTH**  
**DEFICIT MITIGATION PLAN**  
**FISCAL YEAR 2008-09**  
(\$'s in Millions)

Attachment I

Budget Request - Deficit Placeholder	\$2.59
Budget Request - Risk Management	0.22
Additional Financing Need for Deferred Maintenance	0.51
CEO Reduction Target of 1.3%	2.37
<b>Total Financing Need</b>	<b><u>\$5.69</u></b>

**Current Recommended Financing Solutions**

NFP Target Case Management Revenues	\$	0.96
Community Health Services Re-Configuration		0.58
DPH Hotline Services		0.26
Children's Medical Services		0.49
Alcohol and Drug Administration		0.37
Grant Funded Positions		1.26
Information Systems		0.35
Other Reductions		1.42

<b>Subtotal Solutions</b>	<b><u>\$5.69</u></b>
---------------------------	----------------------

<b>Remaining Financial Need</b>	<b>\$0.00</b>
---------------------------------	---------------



**DEPARTMENT OF PUBLIC HEALTH  
FINAL CHANGE  
FISCAL YEAR 2008-09 BUDGET REQUEST**  
(\$ in Thousands)

**BUDGET UNIT: PUBLIC HEALTH SERVICES**

ADJ. NO. FNC 23	S&S REFUGEE HEALTH ASSESSMENT	OTHER CHARGES	FIXED ASSETS	OPERATING TRANS. OUT	TOTAL APPROP.	IFT/ REVENUE	NET COST	CAPITAL PROJECTS	VLF/ COUNTY CONTRIBUTION	BUDGET GAP	BUDGETED POSITIONS
FNC 24	(\$57)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(1.0)
<p>Reflects the elimination of one (1) Health Education Assistant (4843N) in the Refugee Health Assessment Program. This action reduces the budget for the one (1) item and restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
FNC 25	(\$81)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0	\$0	0.0
<p>Reflects the transfer of an NCC Epidemiologist (1759A) from the CDCP-Vaccinable Unit to a funded position on the CDC PH Preparedness and Response for Bioterrorism Grant.</p>											
FNC 26	(\$104)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(1.0)
<p>Reflects the elimination of one Animal Sanitation Inspector (5723A) and the transfer of one (1) Intermediate Typist Clerk (17C) (2214A) to a funded ITC within CDCP.</p>											
FNC 27	(\$235)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0	\$0	(4.0)
<p>Reflects the elimination of 2.2 Clinic Physician, MD, J-Items (5146U). The J-Item per position is \$294.32 which requires the deletion of 2.2 positions. This action reduces the budget for the 2.2 items and restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
FNC 28	(\$243)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0	\$0	(2.2)
<p>Reflects the elimination of four (4) Laboratory positions a PH Microbiologist Sup I, Laboratory Assistant, Staff Assistant II and Intermediate Typist Clerk. This action reduces the budget for the 4 items and restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
FNC 29	(\$21)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(0.3)
<p>Reflects the elimination of 0.3 FTE of a Public Health Nurse II item. This action reduces the budget for 0.3 of an item and restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
FNC 30	(\$45)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(1.0)
<p>Reflects a \$210K reduction of S&amp;S allocation for Bi-National Program. This action restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
FNC 31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0
<p>Reflects the elimination of four (4) items two (2) ITC's, one (1) Epidemiology Analyst, and one (1) Staff Analyst. This action reduces the budget for the 4 items and restores the S&amp;S placeholder for the NCC reduction targets in SQ 22 and SQ 24 of the Proposed Budget resulting in a zero NCC effect.</p>											
<p><b>TOTAL OF FY 2008-09 FINAL CHANGE REQUEST</b></p>											(31.5)
<p><b>(\$2,909)</b></p>											<b>\$0</b>
<p><b>\$4,203</b></p>											<b>\$0</b>
<p><b>\$1,295</b></p>											<b>\$0</b>