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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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August 30, 2011

TO: Each Supervisor

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **DEPARTMENT OF HEALTH SERVICES' (DHS) FISCAL OUTLOOK (BOARD AGENDA, ITEM S-2, AUGUST 30, 2011)**

This is to provide a Summary of Changes in the DHS Fiscal Outlook (Attachment I) since our last Budget Committee of the Whole report to your Board on May 17, 2011. As indicated in the Summary of Changes, the Department closed its Fiscal Year (FY) 2010-11 books with a $13.2 million surplus. The developments contributing to these changes are detailed in the Summary of Changes.

In September 2010, the Department was projecting a $270.6 million shortfall for FY 2010-11. After the successful negotiation of the new 1115 Waiver and effective cost savings measures, including leaving positions unfilled and reducing the use of consultants, the Department exceeded the $105.7 million services and supplies placeholder in the FY 2010-11 budget by $45.2 million, resulting in an overall positive balance at year end.

The Department is facing multiple challenges, each significant in its own right. These challenges include, but are not limited to,: a) the transition of Seniors and Persons with Disabilities (SPDs) into managed care; b) meeting all the new Waiver requirements, including specific outcomes required under the Delivery System Reform Incentive Pool program; c) significantly increased enrollment targets for Healthy Way LA; d) managing out-of-plan costs for HWLA patients; and e) transitioning the Community Health Plan to a Management Service Organization, in partnership with L.A. Care, to support the large increase in managed care patients accessing DHS services and the transformation of DHS into a managed care delivery system.

The financial impact on the Department of multiple changes occurring simultaneously which are without precedent and where there is an interaction effect among these changes is complicated. However, the Department will closely monitor the changes occurring and adjust fiscal projections accordingly. In addition, the Department will begin developing a model for estimating what the impact of health care reform might be on the Department beginning in FY 2013-14.

The Potential Solutions/Issues schedule (Attachment II) reflects items that could impact DHS' fiscal forecasts for FYs 2011-12 and 2012-13. Significant items include the outcome of efforts to obtain an amendment to the Waiver to address additional costs for Ryan White program beneficiaries who are now eligible for Healthy Way LA coverage, inclusion of public hospitals in the new Hospital Provider Fee, and additional managed care rate supplement revenue.

The Fiscal Overview schedule (Attachment III) provides detailed data regarding the variance between budget and actual for expenses and revenues for FY 2010-11.

The Workload schedule (Attachment IV) provides a comparison between FY 2009-10 and FY 2010-11 on key workload indicators, e.g., days and visits.

On March 22, 2011, your Board instructed the Department to provide a status report on the implementation of a new staffing model utilizing Certified Medical Assistants (CMAs). The Department is continuing its implementation activities aligned with the phase-in of the establishment of medical homes at DHS facilities. The staffing plan for the initial set of medical homes is moving along two tracks: on one track, the Department continues efforts to establish open competitive lists of qualified CMAs. The other track involves offering advanced training to qualified County employees who will have the opportunity to become certified CMAs. This training will be offered at local community colleges with whom the County develops Memoranda of Understanding to provide accelerated CMA training courses, reducing the training period from 12 to nine months. Efforts along these two-tracks will continue as the medical home model is instituted throughout the DHS system.

The Department will continue to work closely with the CEO on key financing issues and report to your Board on any material changes impacting the fiscal outlook.

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

MHK:aw
Fiscal Outlook Aug 30 2011
609:005

Attachments (4)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

SUMMARY OF CHANGES IN THE DHS FISCAL OUTLOOK

MAY 4, 2011 THROUGH AUGUST 19, 2011

		Fiscal Year (FY) / $ In Millions					
		10-11	11-12	12-13	13-14	14-15	Total
(1)	**Estimated Non-Cumulative Year-End Fund Balances/(Shortfalls) - 5/4/11 [A]**	**$ (70.8)**	**$ (99.4)**	**$ (183.3)**	**$ (613.8)**	**$ (702.2)**	**$ (1,669.5)**
	Subsequent Developments						
(2)	Accreditation Council for Graduate Medical Education's (ACGME) common program requirements [B,C]	-	(19.4)	(19.7)	(20.3)	(20.9)	(80.3)
(3)	Projected Mental Health State Plan Amendment revenue [B,D]	-	31.0	8.1	8.1	8.1	55.3
(4)	Vehicle License Fee and Sales Tax Realignment revenue updates provided by the CEO in August 2011	1.5	(10.5)	(10.5)	(10.5)	(10.5)	(40.5)
(5)	State Budget impact [E]	-	(10.0)	(10.0)	(10.0)	(10.0)	(40.0)
(6)	Additional Healthy Way LA revenues primarily resulting from the Centers for Medicare and Medicaid Services (CMS) allowing claiming back to November 2010	37.7	-	-	-	-	37.7
(7)	Additional nurse staffing needs for Intensive Care Unit (ICU) services at LAC+USC Medical Center [B,F]	-	(8.4)	(8.5)	(8.8)	(9.1)	(34.8)
(8)	Projected reallocation of excess Health Care Coverage Initiative (HCCI) funds [B,G]	-	30.0	-	-	-	30.0
(9)	Improvements in various revenues [H]	19.6	-	-	-	-	19.6
(10)	Use of premium reserves to reduce retiree health insurance charges per the CEO [B]	5.8	8.1	-	-	-	13.9
(11)	Reduced commercial paper interest expense per the CEO in August 2011	12.3	-	-	-	-	12.3
(12)	FY 10-11 fund balance carryover	-	13.2	-	-	-	13.2
(13)	Updated equipment costs and implementation dates for the Surgery/Emergency Department at H-UCLA Medical Center	-	11.5	(7.1)	1.4	1.4	7.2
(14)	Implementation delay to repair damages caused by the Sayre fire at OV-UCLA Medical Center	5.3	(5.3)	-	-	-	-
(15)	Other changes in current year operating forecast / minor updates to future estimates	1.8	0.1	(0.5)	(1.6)	(2.4)	(2.6)
(16)	**Revised Estimated Non-Cumulative Year-End Fund Balances/(Shortfalls) - 8/19/11 [A]**	**$ 13.2**	**$ (59.1)**	**$ (231.5)**	**$ (655.5)**	**$ (745.6)**	**$ (1,678.5)**

Notes:

(A) Do not include necessary system investments such as additional equipment and/or operating costs for the new Martin Luther King and High Desert Multi-Service Ambulatory Care Centers, and the impact of Health Care Reform in 2014. The Department is continuing to work on these items to determine the fiscal impact.

(B) This has been included in FY 11-12 Budget adopted by the Board on June 20, 2011. The amount may have been updated subsequently, as indicated in the following footnotes.

(C) This reflects investments in the graduate medical education programs with additional personnel and non-personnel infrastructure to support the current volume of clinical services in order to comply with the new federally mandated ACGME regulations related to Interns & Residents. Failure to comply with the revised common program requirements will result in citations and/or revocations of residency program accreditation with the ensuing loss of the interns, residents, and fellows that provide core services to our patients.

(D) This reflects a projected increase in Mental Health revenue of which the Department is allowed to bill the difference between Statewide Maximum Allowance rates and cost based payments. The Department is in the process of obtaining the CMS' approval. The amount in FY 11-12 represents benefits of $25.0 million for January 2009 through June 2011 and $6.0 million for FY 11-12. The $6.0 million has been included in the FY 11-12 Budget adopted by the Board on June 20, 2011.

(E) This reflects that the Department would be unable to collect from patients for increased co-payments required by the State for certain medical services rendered.

(F) This reflects additional nurse staffing needs for ICU services in order to comply with the State Survey Correction Action Plan for non-compliance with Title 22-Assembly Bill 394 Nurse-Patient Staffing Ratio / Meal and Break coverage. Failure to comply will result in fine penalties imposed by the State.

(G) This reflects a projected increase in Safety Net Care Pool revenue from reallocation of the excess HCCI funds. The Department is in the process of obtaining the CMS' approval.

(H) This reflects higher than anticipated revenues primarily for Medi-Cal Outpatient, Medi-Cal Health Maintenance Organization, Medicare, and Insurance.

ATTACHMENT I

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

POTENTIAL SOLUTIONS / ISSUES THAT WOULD IMPACT THE FISCAL FORECAST

FISCAL YEARS 2010-11 THROUGH 2012-13 (NON-CUMULATIVE)

($ IN MILLIONS)

	FY 10-11	FY 11-12	FY 12-13	Total
Estimated Year-End Shortfalls (base estimates as of 8/19/11)	**$13.2**	**($59.1)**	**($231.5)**	**($277.4)**
POTENTIAL SOLUTIONS				
> **Additional Waiver revenues** resulting from amending the existing Waiver agreement to assure that persons with HIV make the transitions of coverage from Ryan White to Healthy Way LA (HWLA) for October 2011 through December 2013	-	32.0	43.0	75.0
> **Hospital Provider Fee** for July 2011 through December 2013	-	30.0	30.0	60.0
> Net **Managed Care Rate Supplement revenues** for September 2010 through June 2011	-	46.8	-	46.8
> **Additional efficiency savings**	-	15.5	16.0	31.5
> Additional **HWLA revenue** for County Jail inmates	-	3.0	9.0	12.0
> Distribution of one-time unspent fund in **County's Health Services Designation**	-	-	7.0	7.0
POTENTIAL ISSUES (1)				
> Assembly Bill (AB) 394 **nurse staffing ratio** requirements (Phase I) (2)	-	(35.1)	(71.3)	(106.4)
> **Unreimbursable costs of transitioning persons with HIV from Ryan White to HWLA**	-	(32.0)	(43.0)	(75.0)
> Additional **Out of Plan costs** for the updated HWLA contract with the Centers for Medicare and Medicaid Services	-	(17.0)	(30.0)	(47.0)
> Implementation of **Plan of Correction** at OV-UCLA Medical Center (3)	-	(18.2)	(18.4)	(36.6)
> H-UCLA Medical Center 12-bed **observation unit** (4)	-	(1.9)	(2.6)	(4.5)
> Incremental cost changes for **Accreditation Council for Graduate Medical Education** based on the final projected costs approved by the Board on June 28, 2011	-	(1.7)	(1.7)	(3.4)
> **Project management transitional services support** for the MetroCare Network (5)	-	(1.4)	(1.7)	(3.1)
Revised Estimated Year-End Shortfalls	**$13.2**	**($39.1)**	**($295.2)**	**($321.1)**
USE OF TOBACCO SETTLEMENT AND/OR OTHER FUNDS TO FUND ONE-TIME EXPENSES INCLUDED IN THE BASE ESTIMATES ABOVE				
> **Electronic Health Record information system**	-	44.3	58.6	102.9
> **New Waiver investments**	-	12.4	12.5	24.9
Subtotal - Use of Tobacco Settlement Fund	-	56.7	71.1	127.8
Adjusted Estimated Year-End Shortfalls - After Use of Tobacco Settlement Fund	**$13.2**	**$17.6**	**($224.1)**	**($193.3)**

Notes:

1) This does not include necessary system investments such as additional equipment and/or operating costs for the new Martin Luther King and High Desert Multi-Service Ambulatory Care Centers. The Department is continuing to work on these items and determine the fiscal impact.

2) This reflects additional nurses needed throughout the DHS hospitals to meet the licensed nurse to patient ratio requirements mandated by the California State Law which represent the maximum number of patients that can be assigned to one licensed nurse at all times, including meal and rest periods. DHS hospitals have been cited in various licensing surveys for non-compliances and may be fined in the future. This Phase I implementation represents the incremental increase from the current base nursing budget included in the FY 11-12 Board Adopted Budget specifically for Inpatient areas, Emergency Rooms, and Sitters for continuous patient monitoring. The need for OV-UCLA Medical Center is addressed separately below as it is in direct conjunction with the recent Immediate Jeopardy finding by the State. FY 11-12 reflects a 6-month implementation delay.
Note that to completely comply with the accreditation and licensing requirements, DHS requires a Phase II implementation to address the needs in Labor and Delivery/Obstetrics Triage, Psychiatric Emergency Rooms, Post Anesthesia Care Unit Recovery Rooms, Operating Rooms, Monitor Technicians for Central Monitoring Stations, and Inpatient Patient Escort/Transport Services. Phase II will be addressed in the FY 12-13 budget.

3) This reflects additional positions and funding, totaling $7.7 million, necessary to resolve an Immediate Jeopardy (IJ) finding by State Surveyors, who have identified procedural gaps in pain assessment, the communication of vital signs during the triage process, and length of time between triage and medical screening exams in the Department of Emergency Medicine. The surveyors extended this IJ status to the Centers for Medicare & Medicaid Services, which elevated it to a Federal Emergency Medical Treatment and Active Labor Act violation. This also reflects the AB 394 nurse staffing ratio Phase I implementation, totaling $10.5 million, that is in direct conjunction with the IJ resolution.

4) This reflects the need of establishing an observation unit to help decompress the emergency room and alleviate over-crowding by providing a dedicated unit to place patients that require diagnostic, monitoring, and/or treatment services when more time is required to re-evaluate the patient and there is uncertainty about the patient's need for admission. This is expected to be utilizing currently available licensed beds, i.e., no impact to the current budgeted beds/census. FY 11-12 reflects a 3-month implementation delay.

5) This reflects the need of consultants to provide directions and assistance to the MetroCare facilities on all activities related to move transition, including transition, procurement & logistics, and integration services. The timeframe for move transition services is from September 2011 to February 2014.

ATTACHMENT II

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

FISCAL OVERVIEW

FISCAL YEAR 2010-11

(AS OF 8/19/11)

	TOTAL DEPARTMENT			HOSPITALS: LAC+USC MEDICAL CENTER			HOSPITALS: HARBOR-UCLA MEDICAL CENTER			HOSPITALS: RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER			HOSPITALS: OLIVE VIEW-UCLA MEDICAL CENTER			AMBULATORY CARE [A]			OFFICE OF MANAGED CARE			EMERGENCY MEDICAL SERVICES			OTHER GENERAL FUNDS		
	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE	BUDGET [B]	ACTUAL	VARIANCE
Expenses																											
Salaries:																											
- Salaries (excluding Overtime)	$ 1,271.4	$ 1,224.1	$ 47.3	$ 438.3	$ 426.7	$ 11.6	$ 275.1	$ 269.0	$ 6.1	$ 100.9	$ 92.4	$ 8.5	$ 158.0	$ 153.6	$ 4.4	$ 176.8	$ 168.3	$ 8.5	$ 13.3	$ 13.3	$ -	$ 13.2	$ 12.5	$ 0.7	$ 95.8	$ 88.3	$ 7.5
- Overtime	53.6	60.4	(6.8)	26.0	29.5	(3.5)	10.1	12.2	(2.1)	2.7	2.6	0.1	6.5	9.0	(2.5)	5.5	4.0	1.5	-	0.1	(0.1)	0.2	0.1	0.1	2.6	2.9	(0.3)
Total Salaries	1,325.0	1,284.5	40.5	464.3	456.2	8.1	285.2	281.2	4.0	103.6	95.0	8.6	164.5	162.6	1.9	182.3	172.3	10.0	13.3	13.4	(0.1)	13.4	12.6	0.8	98.4	91.2	7.2
Employee Benefits [B]	650.2	634.4	15.8	225.3	219.3	6.0	120.3	120.8	(0.5)	52.6	51.6	1.0	73.8	73.1	0.7	118.2	112.2	6.0	6.4	6.0	0.4	5.2	4.9	0.3	48.4	46.5	1.9
Total Salaries & Employee Benefits	1,975.2	1,918.9	56.3	689.6	675.5	14.1	405.5	402.0	3.5	156.2	146.6	9.6	238.3	235.7	2.6	300.5	284.5	16.0	19.7	19.4	0.3	18.6	17.5	1.1	146.8	137.7	9.1
Budget Adjustment [C]	(39.9)	-	(39.9)	(9.5)	-	(9.5)	(4.3)	-	(4.3)	(6.6)	-	(6.6)	(1.4)	-	(1.4)	(11.5)	-	(11.5)	-	-	-	-	-	-	(6.6)	-	(6.6)
Adjusted Salaries & Employee Benefits	1,935.3	1,918.9	16.4	680.1	675.5	4.6	401.2	402.0	(0.8)	149.6	146.6	3.0	236.9	235.7	1.2	289.0	284.5	4.5	19.7	19.4	0.3	18.6	17.5	1.1	140.2	137.7	2.5
Net Services & Supplies (S&S):																											
- Centralized Pharmacy	162.4	135.0	27.4	57.3	46.8	10.5	27.2	23.8	3.4	6.9	5.6	1.3	19.4	15.4	4.0	48.8	41.8	7.0	-	-	-	-	-	-	2.8	1.6	1.2
- Medical/Dental/Laboratory	137.9	175.3	(37.4)	60.1	87.7	(27.6)	41.0	46.2	(5.2)	10.2	6.7	3.5	12.8	21.0	(8.2)	9.8	10.5	(0.7)	-	-	-	-	-	-	4.0	3.2	0.8
- Medical School Affiliation Agreement	135.9	137.4	(1.5)	108.3	107.5	0.8	9.1	9.1	-	-	-	-	15.2	15.6	(0.4)	3.0	4.8	(1.8)	-	-	-	-	-	-	0.3	0.4	(0.1)
- Nurse Registries	23.6	32.0	(8.4)	18.4	25.1	(6.7)	1.2	0.5	0.7	0.4	0.6	(0.2)	2.2	2.7	(0.5)	1.2	1.6	(0.4)	-	-	-	-	-	-	0.2	1.5	(1.3)
- Other Registries	33.4	42.0	(8.6)	12.1	12.4	(0.3)	7.2	9.4	(2.2)	1.4	2.3	(0.9)	5.0	8.8	(3.8)	7.5	8.9	(1.4)	-	-	-	-	-	-	0.2	0.2	-
- Specialty Contracts (Physicians/Non-Phys.)	37.9	38.0	(0.1)	0.8	0.8	-	5.3	5.5	(0.2)	4.5	5.0	(0.5)	4.3	5.3	(1.0)	22.6	21.3	1.3	-	-	-	-	-	-	0.4	0.1	0.3
- S&S-Other	1,023.7	924.5	99.2	236.6	223.0	13.6	131.7	129.0	2.7	48.7	45.1	3.6	92.2	79.0	13.2	230.0	210.7	19.3	158.8	140.8	18.0	18.3	17.3	1.0	107.4	79.6	27.8
Total Net S&S	1,554.8	1,484.2	70.6	493.6	503.3	(9.7)	222.7	223.5	(0.8)	72.1	65.3	6.8	151.1	147.8	3.3	322.9	299.6	23.3	158.8	140.8	18.0	18.3	17.3	1.0	115.3	86.6	28.7
Other Expenses [D,E]	180.2	156.2	24.0	89.8	86.5	3.3	56.0	54.1	1.9	20.7	21.0	(0.3)	30.6	28.1	2.5	14.5	8.2	6.3	0.2	0.1	0.1	(2.3)	(1.1)	(1.2)	(29.3)	(40.7) [F]	11.4
Subtotal - Before Placeholder	**$ 3,670.3**	**$ 3,559.3**	**$ 111.0**	**$ 1,263.5**	**$ 1,265.3**	**$ (1.8)**	**$ 679.9**	**$ 679.6**	**$ 0.3**	**$ 242.4**	**$ 232.9**	**$ 9.5**	**$ 418.6**	**$ 411.6**	**$ 7.0**	**$ 626.4**	**$ 592.3**	**$ 34.1**	**$ 178.7**	**$ 160.3**	**$ 18.4**	**$ 34.6**	**$ 33.7**	**$ 0.9**	**$ 226.2**	**$ 183.6**	**$ 42.6**
S&S Deficit Reduction Placeholder [B]	(105.7)	-	(105.7)	(34.7)	-	(34.7)	(13.1)	-	(13.1)	(15.8)	-	(15.8)	(9.1)	-	(9.1)	-	-	-	-	-	-	-	-	-	(33.0)	-	(33.0)
Budget Adjustment [C]	39.9	-	39.9	16.2	-	16.2	13.3	-	13.3	6.6	-	6.6	10.5	-	10.5	(6.6)	-	(6.6)	-	-	-	-	-	-	(0.1)	-	(0.1)
Subtotal - After Placeholder	**$ 3,604.5**	**$ 3,559.3**	**$ 45.2**	**$ 1,245.0**	**$ 1,265.3**	**$ (20.3)**	**$ 680.1**	**$ 679.6**	**$ 0.5**	**$ 233.2**	**$ 232.9**	**$ 0.3**	**$ 420.0**	**$ 411.6**	**$ 8.4**	**$ 619.8**	**$ 592.3**	**$ 27.5**	**$ 178.7**	**$ 160.3**	**$ 18.4**	**$ 34.6**	**$ 33.7**	**$ 0.9**	**$ 193.1**	**$ 183.6**	**$ 9.5**
Managed Care Rate Supplement IGT	33.3	3.4	29.9	7.4	0.7	6.7	8.0	0.9	7.1	-	-	-	2.7	0.3	2.4	15.2	1.5	13.7	-	-	-	-	-	-	-	-	-
Total Expenses - After Placeholder	**$ 3,637.8**	**$ 3,562.7**	**$ 75.1**	**$ 1,252.4**	**$ 1,266.0**	**$ (13.6)**	**$ 688.1**	**$ 680.5**	**$ 7.6**	**$ 233.2**	**$ 232.9**	**$ 0.3**	**$ 422.7**	**$ 411.9**	**$ 10.8**	**$ 635.0**	**$ 593.8**	**$ 41.2**	**$ 178.7**	**$ 160.3**	**$ 18.4**	**$ 34.6**	**$ 33.7**	**$ 0.9**	**$ 193.1**	**$ 183.6**	**$ 9.5**
Revenues																											
Waiver Revenues [B]	$ 1,169.9	$ 1,375.2	$ 205.3	$ 520.4	$ 643.5	$ 123.1	$ 243.1	$ 292.9	$ 49.8	$ 111.1	$ 124.0	$ 12.9	$ 162.3	$ 182.7	$ 20.4	$ 122.2	$ 127.5	$ 5.3	$ 2.3	$ 0.6	$ (1.7)	$ -	$ -	$ -	$ 8.5	$ 4.0	$ (4.5)
Federal & State - Other Revenues	465.7	424.5	(41.2)	162.7	156.3	(6.4)	104.8	100.0	(4.8)	40.9	35.4	(5.5)	68.1	61.4	(6.7)	73.7	56.6	(17.1)	-	-	-	14.1	13.6	(0.5)	1.4	1.2	(0.2)
Managed Care Revenues	439.0	325.9	(113.1)	79.8	47.7	(32.1)	59.6	33.2	(26.4)	-	0.3	0.3	35.7	27.6	(8.1)	74.9	45.7	(29.2)	189.0	171.4	(17.6)	-	-	-	-	-	-
Other County Department Revenues	258.7	247.9	(10.8)	32.4	31.6	(0.8)	13.8	13.4	(0.4)	1.1	0.8	(0.3)	12.3	12.4	0.1	10.2	11.0	0.8	-	-	-	7.2	6.8	(0.4)	181.7	171.9	(9.8)
Other Revenues [G]	230.4	151.9	(78.5)	93.7	75.3 [H]	(18.4)	62.5	45.6	(16.9)	13.1	5.0	(8.1)	25.9	11.1	(14.8)	23.2	4.1	(19.1)	0.3	0.4	0.1	10.8	8.9	(1.9)	0.9	1.5	0.6
Total Revenues - Before Placeholder	**$ 2,563.7**	**$ 2,525.4**	**$ (38.3)**	**$ 889.0**	**$ 954.4**	**$ 65.4**	**$ 483.8**	**$ 485.1**	**$ 1.3**	**$ 166.2**	**$ 165.5**	**$ (0.7)**	**$ 304.3**	**$ 295.2**	**$ (9.1)**	**$ 304.2**	**$ 244.9**	**$ (59.3)**	**$ 191.6**	**$ 172.4**	**$ (19.2)**	**$ 32.1**	**$ 29.3**	**$ (2.8)**	**$ 192.5**	**$ 178.6**	**$ (13.9)**
Revenue Placeholder [B]	125.0	-	(125.0)	51.7	-	(51.7)	28.4	-	(28.4)	14.8	-	(14.8)	26.2	-	(26.2)	1.4	-	(1.4)	-	-	-	-	-	-	2.5	-	(2.5)
Total Revenues - After Placeholder	**$ 2,688.7**	**$ 2,525.4**	**$ (163.3)**	**$ 940.7**	**$ 954.4**	**$ 13.7**	**$ 512.2**	**$ 485.1**	**$ (27.1)**	**$ 181.0**	**$ 165.5**	**$ (15.5)**	**$ 330.5**	**$ 295.2**	**$ (35.3)**	**$ 305.6**	**$ 244.9**	**$ (60.7)**	**$ 191.6**	**$ 172.4**	**$ (19.2)**	**$ 32.1**	**$ 29.3**	**$ (2.8)**	**$ 195.0**	**$ 178.6**	**$ (16.4)**
Net Cost - Before Prior Years' Surplus/(Deficit)	$ 949.1	$ 1,037.3	$ (88.2)	$ 311.7	$ 311.6	$ 0.1	$ 175.9	$ 195.4	$ (19.5)	$ 52.2	$ 67.4	$ (15.2)	$ 92.2	$ 116.7	$ (24.5)	$ 329.4	$ 348.9	$ (19.5)	$ (12.9)	$ (12.1)	$ (0.8)	$ 2.5	$ 4.4	$ (1.9)	$ (1.9)	$ 5.0	$ (6.9)
Prior Years (PY)' Surplus/(Deficit)	-	101.4	101.4	-	(8.5)	(8.5)	-	22.5	22.5	-	18.2	18.2	-	33.9	33.9	-	26.9	26.9	-	(0.1)	(0.1)	-	-	-	-	8.5	8.5
Net Cost - After PYs' Surplus/(Deficit) [I]	**$ 949.1**	**$ 935.9**	**$ 13.2**	**$ 311.7**	**$ 320.1**	**$ (8.4)**	**$ 175.9**	**$ 172.9**	**$ 3.0**	**$ 52.2**	**$ 49.2**	**$ 3.0**	**$ 92.2**	**$ 82.8**	**$ 9.4**	**$ 329.4**	**$ 322.0**	**$ 7.4**	**$ (12.9)**	**$ (12.0)**	**$ (0.9)**	**$ 2.5**	**$ 4.4**	**$ (1.9)**	**$ (1.9)**	**$ (3.5)**	**$ 1.6**

Notes:

(A) Includes Multi-Service Ambulatory Care Centers, Comprehensive & Community Health Centers, and Community Partners.

(B) The total deficit reduction placeholder included in DHS' Budget is $253.3 million (Employee Benefits=$22.6 million; Services & Supplies=$105.7 million; and Revenue=$125.0 million).

(C) Reflects the budget adjustment approved by the Board on March 29, 2011 to reallocate/realign appropriations within DHS.

(D) Includes Other Charges, Capital Assets, and Operating Transfer Out, and net of Intrafund Transfers.

(E) Includes the budget adjustment approved by the Board on March 29, 2011 for the Intergovernmental Transfer (IGT) of Delivery System Reform Incentive Pool and its associated revenue under the new Waiver.

(F) Includes capital projects' surplus of $8.8 million.

(G) Includes deficits in Vehicle License Fee and Sales Tax of $5.4 million and $3.4 million, respectively.

(H) Includes unspent LAC+USC's equipment Accumulated Capital Outlay fund of $5.9 million.

(I) The Net Cost of $949.1 million is comprised of County Contribution, Vehicle License Fee, Sales Tax, Measure B, Tobacco Settlement fund, and DHS' Fund Balance.

ATTACHMENT III

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

WORKLOAD

FISCAL YEAR 2009-10 ACTUAL vs FISCAL YEAR 2010-11 PROJECTION

(AS OF 8/19/11)

	TOTAL DEPARTMENT			LAC+USC MEDICAL CENTER			HARBOR-UCLA MEDICAL CENTER			RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER			OLIVE VIEW-UCLA MEDICAL CENTER			AMBULATORY CARE [A]			OTHER GENERAL FUNDS		
	FY 09-10 ACTUAL	FY 10-11 PROJECTION [B]	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE	FY 09-10 ACTUAL	FY 10-11 PROJECTION	CHANGE
Average Daily Census	1,313	1,321	8	582	587	5	357	359	2	183	183	-	191	192	1	-	-	-	-	-	-
Inpatient Days	479,245	482,165	2,920	212,430	214,255	1,825	130,305	131,035	730	66,795	66,795	-	69,715	70,080	365	-	-	-	-	-	-
Admissions	76,646	72,308	(4,338)	34,856	32,601	(2,255)	23,526	22,109	(1,417)	3,979	3,930	(49)	14,285	13,668	(617)	-	-	-	-	-	-
Ambulatory Care / Urgent Care / Community Partners Visits	2,818,251	2,933,778	115,527	518,654	528,334	9,680	336,567	337,673	1,106	77,018	76,509	(509)	215,187	212,341	(2,846)	1,670,825 [C]	1,778,921	108,096	-	-	-
Emergency Department Visits	265,659	254,669	(10,990)	141,716	134,942	(6,774)	78,521	72,469	(6,052)	-	-	-	45,422	47,258	1,836	-	-	-	-	-	-
Emergency Department Psych. Visits	25,514	22,756	(2,758)	11,432	9,015	(2,417)	8,416	8,012	(404)	-	-	-	5,666	5,729	63	-	-	-	-	-	-
Juvenile Court Health Services Visits	124,009	95,626	(28,383)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124,009	95,626	(28,383)

(A) Includes Multi-Service Ambulatory Care Centers, Comprehensive & Community Health Centers, and Community Partners.

(B) FY 10-11 projection is based on the preliminary June 2011 workload report.

(C) The new Clinic Capacity Expansion Program (CCEP) was implemented effective January 2010.

ATTACHMENT IV