BOARD OF SUPERVISORS

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THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

May 19, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROPRIATION ADJUSTMENT TO THE DEPARTMENT OF HEALTH SERVICES' FISCAL YEAR 2004-05 BUDGET
(1st District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment to the Department of Health Services' Fiscal Year 2004-05 Adopted Budget to reflect various refinements in the LAC+USC Healthcare Network's operating plan.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is increasing Services & Supplies (S&S) appropriation, funded by a reduction in Salaries & Employee Benefits (S&EB) appropriation and an increase in Expenditure Distribution, to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs and revenues for Fiscal Year (FY) 2004-05.

The $14,419,000 projected deficit in S&S is primarily attributed to increased contract registry costs, chiefly for nursing personnel. Registry usage has steadily grown as the result of the State mandated licensed nurse-to-patient ratios for general acute care hospitals (Assembly Bill 394), and the inability to fill vacant County nursing positions. In addition, $2,789,000 of the increase in S&S is due to increased pharmaceutical expenditures at facilities participating in the centralized pharmacy purchasing program budgeted at LAC+USC Healthcare Network.

Surplus appropriation exists in the LAC+USC Healthcare Network's S&EB to fund the increase in S&S.

FISCAL IMPACT/FINANCING:

The attached appropriation adjustment increases LAC+USC Healthcare Network S&S appropriation by $14,419,000, offset by an $11,630,000 reduction in S&EB appropriation and a $2,789,000 increase in Expenditure Distribution, to reflect anticipated operational costs in FY 2004-05. This appropriation adjustment does not increase net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS):

Not applicable.

When approved, this Department requests three copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:rf

Attachment (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

lac usc appropriation adjustment.rf.wpd

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BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No.

DEPARTMENT OF Health Services

May 18, ~~19~~ 2005

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-VOTE
FY 2004-05

See attached for details.

Justification:
This budget adjustment is to align LAC+USC Healthcare Network funding levels to more accurately reflect anticipated operational costs and revenues for Fiscal Year 2004-05. This budget adjustment does not affect net County cost.

EM:js
05/18/05

Efrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION

✓ RECOMMENDATION

AUDITOR-CONTROLLER BY [signature]

No. 341 MAY 19 ~~19~~ 2005

APPROVED AS REQUESTED ✓ AS REVISED

MAY 19, 2005 ~~19~~

[signature] for DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): 19
BOARD OF SUPERVISORS

BY
DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FY 2004-05

Dept No. 110

(3-VOTE)
FY 04-05

Sources:

LAC+USC Healthcare Network MN4-HG-60010-1000 Salaries & Employee Benefits	$11,630,000
LAC+USC Healthcare Network MN4-HG-60010-5350 Expenditure Distribution	$2,789,000
Total	$14,419,000

Uses:

LAC+USC Healthcare Network MN4-HG-60010-2000 Services & Supplies	$14,419,000
Total	$14,419,000

Justification:

This budget adjustment is to align LAC+USC Healthcare Network funding levels to more accurately reflect anticipated operational costs and revenues for Fiscal Year 2004-05. This budget adjustment does not affect net County cost

EM:js
5/18/2005

Efrain Munoz, Chief
DHS-Controller's Division

5-19-05 5/19/05

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BA #341 MAY 19, 2005