



Los Angeles County Board of Supervisors

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www.dhs.lacounty.gov

To improve health through leadership, service and education



www.dhs.lacounty.gov

September 22, 2009

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

Dear Supervisors:

FISCAL YEAR 2008-09 YEAR-END BUDGET ADJUSTMENT (ALL DISTRICTS) (4 VOTES)

SUBJECT

Request approval of Fiscal Year 2008-09 Year-End Budget Adjustments for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

- 1. Approve the attached Fiscal Year (FY) 2008-09 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to adjust the designation balance, as of June 30, 2009, to \$39.0 million.
2. Approve the attached FY 2008-09 BA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2008-09 BA (Attachment III) to realign the available funding for the Measure B Special Revenue Fund.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Board's approval of these BA's (Attachments I through III) for FY 2008-09 will:

- 1. Establish a DHS designation fund balance, as of June 30, 2009, of \$39.0 million, resulting from a \$39.0 million FY 2008-09 operating surplus (Attachment IV). Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2008-09 financial experience.

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

#47 SEPTEMBER 22, 2009

Sachi A. Hamai EXECUTIVE OFFICER

2. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2008-09 financial experience, and decrease the transfer of funding to DPSS by \$1.4 million resulting from lower than expected operating activity.
3. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2008-09 final experience.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These actions support Goal 1, Operational Effectiveness, of the County's strategic plan.

FISCAL IMPACT/FINANCING

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2008-09. It also adjusts the designation balance to \$39.0 million, as of June 30, 2009. (See Attachment IV for the components of the \$39.0 million surplus.)

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for their future use. Of the \$39.0 million being placed in designation, \$26.2 million is associated with Rancho Los Amigos National Rehabilitation Center (Rancho). This amount is being placed in a separate designation account for Rancho and will be used to fund Rancho's FY 2009-10 operations.

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$9.6 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2009. This includes \$1.1 million in interest that was earned on the balance in FY 2008-09. Of the \$9.6 million, \$6.7 million represents total encumbrances, and \$2.9 million represents available fund balance for future use. In FY 2008-09, \$13.9 million was expended, \$15.0 million was transferred to LAC+USC Medical Center's operating budget to partially fund the Medical School Affiliation Agreement with University of Southern California, and \$0.6 million was encumbered in the ACO fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not applicable.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This Year-End BA has no impact on current services.

Respectfully submitted,



John F. Schunhoff, Ph.D.
Interim Director

JFS:aw

Attachments (4)

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

Year End Budget Adjustment BL

PINK

76R 352M 11/83

BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health Services

Dept's. No. 110 08/20 2009

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 Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008-09 4 - VOTES

SOURCES

See Attachment I-B for details

USES

See Attachment I-B for details

JUSTIFICATION

This budget adjustment is necessary to increase the DHS Enterprise Fund designation to \$39.0 millions and realign certain appropriations and revenues within DHS in accordance with the FY 2008-09 final experience

MG:tf 08/20/2009

ADOPTED BOARD OF SUPERVISORS

Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report # 47

SEP 22 2009

SACHI A. HAMAI EXECUTIVE OFFICER

Table with columns: Referred to the Chief Executive Officer for -- action, Approved as Requested, as Revised. Includes handwritten signatures and dates like 'Sept. 9 20 09' and 'Aug 21 20 09'.

no. 918 #47

SEP 22 2009

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2008-09**

4-VOTE

SOURCES:

LAC+USC Healthcare Network (LAC+USC Medical Center)	
MN4-HG-60010-96-9910	
Operating Transfers In - Measure B	\$ 1,252,000
MN4-HG-60010-92-943H	
Managed Care Rate Supplement	56,504,000
Total LAC+USC Healthcare Network	\$ 57,756,000

Coastal Network (H/UCLA Medical Center)	
MN1-HH-60020-1000	
Salaries & Employee Benefits	\$ 5,882,000
MN1-HH-60020-5500	
Other Charges	7,070,000
MN1-HH-60020-92-9433	
Medi-Cal Inpatient	3,863,000
MN1-HH-60020-92-943H	
Managed Care Rate Supplement	49,604,000
MN1-HH-60020-92-9631	
OCD - Mental Health	4,782,000
MN1-HH-60020-96-9910	
Operating Transfers In - Measure B	88,000
Total Coastal Network	\$ 71,289,000

Southwest Network (MLK MACC)	
MN5-HK-60030-1000	
Salaries & Employee Benefits	\$ 12,369,000
MN5-HK-60030-2000	
Services and Supplies	12,562,000
MN5-HK-60030-6030	
Fixed Assets	1,147,000
MN5-HK-60030-92-9433	
Medi-Cal Inpatient	982,000
MN5-HK-60030-92-943H	
Managed Care Rate Supplement	20,233,000
MN5-HK-60030-92-9631	
OCD - Mental Health	1,087,000
Total Southwest Network	\$ 48,380,000

Rancho Los Amigos National Rehabilitation Center	
MN7-HR-60040-1000	
Salaries & Employee Benefits	\$ 11,914,000
MN7-HR-60040-2000	
Services and Supplies	4,522,000
MN7-HR-60040-5500	
Other Charges	3,338,000
MN7-HR-60040-92-9433	
Medi-Cal Inpatient	16,203,000
Total Rancho Los Amigos	\$ 35,977,000

Valley Care Network (San Fernando & Antelope Valley)	
MN3-HO-60050-96-9911	
Operating Transfer In	8,801,000
MN3-HO-60050-92-943H	
Managed Care Rate Supplement	62,210,000

USES:

LAC+USC Healthcare Network (LAC+USC Medical Center)	
MN4-HG-60010-96-9911	
Operating Transfer In	\$ 8,088,000
MN4-HG-60010-96-9912	
Operating Subsidy	49,668,000
Total LAC+USC Healthcare Network	\$ 57,756,000

Coastal Network	
MN1-HH-60020-96-9911	
Operating Transfer In	\$ 22,383,000
MN1-HH-60020-2000	
Services and Supplies	13,626,000
MN1-HH-60020-96-9912	
Operating Subsidy	35,280,000
Total Coastal Network	\$ 71,289,000

Southwest Network	
MN5-HK-60030-96-9911	
Operating Transfer In	7,583,000
MN5-HK-60030-5500	
Other Charges	86,000
MN5-HK-60030-96-9912	
Operating Subsidy	40,711,000
Total Southwest Network	\$ 48,380,000

Rancho Los Amigos Medical Center	
MN7-HR-60040-96-9911	
Operating Transfer In	\$ 9,785,000
MN7-HR-60040-96-9912	
Operating Subsidy	26,192,000
Total Rancho Los Amigos	\$ 35,977,000

Valley Care Network	
MN3-HO-60050-2000	
Services and Supplies	15,026,000
MN3-HO-60050-5500	
Other Charges	1,943,000

BA918 

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2008-09**

4-VOTE

SOURCES:

Total Valley Care Network \$ 71,011,000

DHS Enterprise Fund
MN2-HS-60070-6100
Other Financing Uses 39,038,000

Total DHS Enterprise Fund \$ 39,038,000

Total Enterprise Fund \$ 323,451,000

Managed Care Rate Supplement
A01-HS-19996-5500
Other Charges 3,318,000

H/UCLA N24 Clinic Addition
A01-CP-65036-77541-6014
Fixed Assets - Building & Improv. 1,310,000

H/UCLA Refurb Parlow Library
A01-CP-65036-86516-6014
Fixed Assets - Building & Improv. 19,000

Central HC X-Ray Space
A01-CP-65036-86571-6014
Fixed Assets - Building & Improv. 173,000

HHH Hot Water Pipe Replacement
A01-CP-65036-86637-6014
Fixed Assets - Building & Improv. 28,000

H/UCLA Psychiatric Improvements
A01-CP-65036-86851-6014
Fixed Assets - Building & Improv. 157,000

OV/UCLA Psychiatric Improvements
A01-CP-65036-86852-6014
Fixed Assets - Building & Improv. 120,000

H/UCLA Radio/Flouro Room Mod
A01-CP-65036-86864-6014
Fixed Assets - Building & Improv. 334,000

USES:

MN3-HO-60050-96-9910
Operating Transfers In - Measure B 1,340,000

MN3-HO-60050-96-9912
Operating Subsidy 52,702,000

\$ 71,011,000

DHS Enterprise Fund
MN2-HS-60070-3078
Designation for DHS 12,846,000

MN2-HS-60070-3081
Designation for DHS Rancho 26,192,000

MN2-HS-60070-96-9912
Operating Subsidy

\$ 39,038,000

\$ 323,451,000


Health Services Administration
A01-HS-20000-92-9426
CHP Medi-Cal \$ 4,866,000

Office of Managed Care
A01-HP-19975-92-9426
CHP Medi-Cal 171,830,000

Juvenile Court Health Services
A01-HJ-20600-1000
Salaries and Employee Benefits 1,412,000

Health Services - Realignment
A01-HS-19999-88-8899
Sales Tax 13,606,000

VLF Realignment
A01-CB-10590-10591-88-8716
State Vehicle License Fee - AB 1288 32,429,000

BA918 

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2008-09**

4-VOTE

SOURCES:

USES:

USP797 H/UCLA Rfurb		
A01-CP-65036-86869-6014		
Fixed Assets - Building & Improv.	594,000	
USP797 OV/UCLA Rfurb		
A01-CP-65036-86872-6014		
Fixed Assets - Building & Improv.	939,000	
USP797 Pharm Upgrade - Multiple Sites		
A01-CP-65036-86873-6014		
Fixed Assets - Building & Improv.	1,658,000	
RLA Radio/Flouro Room Mod		
A01-CP-65036-86898-6014		
Fixed Assets - Building & Improv.	65,000	
Various Refurbishments		
A01-CP-65036-86937-6014		
Fixed Assets - Building & Improv.	6,977,000	
H/UCLA Nurse Call System Replacement		
A01-CP-65036-87009-6014		
Fixed Assets - Building & Improv.	2,530,000	
MLK MACC Central Sterile Rfurb		
A01-CP-65036-87012-6014		
Fixed Assets - Building & Improv.	946,000	
OV/UCLA Fluoroscopy Room Rfurb		
A01-CP-65036-87013-6014		
Fixed Assets - Building & Improv.	392,000	
Approp. For Cont-Canc (AVP& Commit)	30,000	
A01-3306		
General Fund Subsidy - (LAC+USC)		
A01-AC-21200-21224-6100		
Operating Transfers Out	49,668,000	
General Fund Subsidy - (Coastal)		
A01-AC-21200-21226-6100		
Operating Transfers Out	35,280,000	
General Fund Subsidy - (Southwest)		
A01-AC-21200-21228-6100		
Operating Transfers Out	40,711,000	
General Fund Subsidy - (Rancho)		
A01-AC-21200-21230-6100		
Operating Transfers Out	26,192,000	
General Fund Subsidy - (ValleyCare)		
A01-AC-21200-21232-6100		
Operating Transfers Out	\$ 52,702,000	
Total General Fund	\$ 224,143,000	\$ 224,143,000
Total Department	\$ 547,594,000	\$ 547,594,000

Noted & Approved:

Mela Guerrero for

Mela Guerrero, Controller
Department of Health Services

BA918 *[Signature]* for

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76R 352M 11/83

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COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health Services

Dept's. No. 110 August 20 2009

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 Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009 4 - VOTES

SOURCES

See attachment II-B for details

USES

See attachment II-B for details

JUSTIFICATION

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$1.393 million of unused funding from the Department of Public Social Services (DPSS).

ADOPTED BOARD OF SUPERVISORS

Mela Guererro, DHS Controller's Division

Chief Executive Officer's Report

47 SEP 22 2009

SACHI A. HAMAI EXECUTIVE OFFICER

Referred to the Chief Executive Officer for action

Recommendation

auditor-controller by August 18 20 09

no. 909

Approved as Requested as Revised

Sept. 9 20 09 Chief Executive Officer

approved (as revised): board of supervisors 20

by deputy county clerk

**DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2008-09**

ATTACHMENT II B

4-VOTE

SOURCES:

LAC+USC Healthcare Network
MN4-HG-60010-96-9912
Operating Subsidy \$ 1,151,000

Coastal Network
MN1-HH-60020-96-9912
Operating Subsidy 84,000

Southwest Network
MN5-HK-60030-92-942A
CHP-In-Home Supp Svcs Rev 3,000

Valleycare Network
MN3-HO-60050-96-9912
Operating Subsidy 154,000

Total Enterprise Funds \$ 1,392,000

ENT SUB-SW CLUSTER
AO1-AC-21200-21228-6100
Operating Transfers Out 3,000

Total General Funds \$ 3,000

Total Department \$ 1,395,000

USES:

LAC+USC Healthcare Network
MN4-HG-60010-92-942A
CHP-In-Home Supp Svcs Rev \$ 1,151,000

Coastal Network
MN1-HH-60020-92-942A
CHP-In-Home Supp Svcs Rev 84,000

Southwest Network
MN5-HK-60030-96-9912
Operating Subsidy 3,000

Valleycare Network
MN3-HO-60050-92-942A
CHP-In-Home Supp Svcs Rev 154,000

\$ 1,392,000

Office of Managed Care
AO1-HP-19975-92-942A
CHP-In-Home Supp Svcs Rev \$ 7,000

ENT SUB-LAC+USC HLTHCARE NETWK
AO1-AC-21200-21224-6100
Operating Transfers Out 1,151,000

ENT SUB-COASTAL CLUSTER
AO1-AC-21200-21226-6100
Operating Transfers Out 84,000


ENT SUB-SF VALLEY CLUSTER
AO1-AC-21200-21232-6100
Operating Transfers Out 154,000

\$ 1,396,000

\$ 2,788,000

Noted & Approved:


Mela Guerrero, Controller
Department of Health Services

BA909 

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2008-09

4-VOTE

SOURCES:

USES:

DPSS-IHSS

A01-SS-26300-26410-2000

Services and Supplies \$ 1,393,000


Total Department \$ 1,393,000

\$ -

Noted & Approved:



Thanh Do, Director of Budget Planning and Control
Department of Public Social Services

BA 909 

PINK

76R 352M 11/83

BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health Services

Dept's. No. 110 08/20 2009

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 Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009 4 - VOTES

SOURCES

See Attachment III-B for details

USES

See Attachment III-B for details

JUSTIFICATION

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with the FY 2008-09 final experience

MG:tf 08/20/2009

ADOPTED BOARD OF SUPERVISORS

Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

47

SEP 22 2009

SACHI A. HAMAI EXECUTIVE OFFICER

Referred to the Chief Executive Officer for --

action

Approved as Requested

as Revised

Recommendation

Sept. 9 20 09

Chief Executive Officer

auditor-controller

by

approved (as revised): board of supervisors

20

no. 919

August 21 20 09

by

deputy county clerk

#47

SEP 22 2009

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
MEASURE B BUDGET ADJUSTMENT
FISCAL YEAR 2008-09

4-VOTE

SOURCES:

Measure B - Olive View Medical Center
 BW9-HS-41010-41013-6100
 Operating Transfers Out \$ 1,340,000

USES:

Measure B - LAC+USC Medical Center
 BW9-HS-41010-41014-6100
 Operating Transfers Out \$ 1,252,000

Measure B - Harbor/UCLA Medical Center
 BW9-HS-41010-41012-6100
 Operating Transfers Out 88,000

Total \$ 1,340,000

\$ 1,340,000

Noted & Approved:

Mela Guerrero for

 Mela Guerrero, Contoller
 Department of Health Services

8/20/2009

BA919 *CG*

DEPARTMENT OF HEALTH SERVICES
SUMMARY EXPLANATION OF BUDGETARY VARIANCES
FISCAL YEAR 2008-09
(\$ In Millions)

ATTACHMENT IV

Sources	FY 2008-09
Deficit from Operations:	
- Current Fiscal Year	\$ 0.8
- Prior Fiscal Years	4.7
Subtotal	\$ 5.5
 Extraordinary Expenditure Variances:	
- Hiring Delays / Hiring Freeze	\$ 47.6 (A)
- Commitment Cancellation	17.9 (B)
- Insurance & Indemnity	0.1 (C)
Subtotal	\$ 65.6
 Extraordinary Funding Variances:	
- Vehicle License Fees	\$ (32.4) (D)
- Sales Tax	(13.6) (D)
- Coverage Initiative	(31.3) (E)
- Medi-Cal Redesign	27.0 (F)
- Medicare	21.8 (G)
- Self-Pay Revenue	(5.6)
- PFSW Revenue	1.4
- SB 1732	0.6
Subtotal	\$ (32.1)
Total Fiscal Year 2008-09	\$ 39.0
 Other:	
- Designation Balance from Prior Fiscal Years	\$ -
June 30, 2009 Designation Balance	\$ 39.0

Notes:

- (A) Surplus reflects position vacancies due to difficulties in hiring and hiring freeze.
- (B) Surplus is due to lower than anticipated payments for services rendered in prior fiscal years.
- (C) Surplus reflects lower than anticipated expenditures for Commercial Insurance and Medical Malpractice Administrative Services which is partially offset by the deficit due to unanticipated cases.
- (D) Per final actuals provided by CEO and Auditor-Controller.
- (E) Deficit is due to lower than anticipated utilization of Coverage Initiative program.
- (F) Surplus is due to higher than anticipated revenue that DHS expects to receive under Medi-Cal Redesign for FYs 06-07, 07-08, and 08-09.
- (G) Surplus is primarily due to better than anticipated results from appeal activities and higher than anticipated settlements for various prior years.