



Board of Supervisors Health and Mental Health Cluster Agenda Review Meeting

DATE: June 12, 2024

TIME: 11:30 a.m. – 1:30 p.m.

MEETING CHAIR: Angelica Ayala, 3rd Supervisorial District

CEO MEETING FACILITATOR: Atineh Sapanian

This meeting will be held in hybrid format which allows the public to participate virtually, or in-person, as permitted under the Board of Supervisors' March 19, 2024, order.

To participate in the meeting in-person, the meeting location is:

Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012
Room 140

To participate in the meeting virtually, please call teleconference number:

1 (323) 776-6996 and enter the following: 403 234 317# or [Click here to join the meeting](#)

For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to ClusterAccommodationRequest@bos.lacounty.gov

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Two (2) minutes are allowed for each item.

THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.

I. Call to order

II. **Presentation Item(s):**

a. **CEO:** Fiscal Year 2024-25 Final Changes Budget
Health Services
Mental Health
Public Health

b. **DPW/DHS:** Olive View-UCLA MC Core Laboratory Remodel Project – approve project and budget, appropriation adjustment, and deliver the project using JOC

- c. **DPW/DHS/DMH:** Harbor-UCLA MC Replacement Program – approve revised project budget

III. **Discussion Item(s):**

- a. **DHS:** Fiscal Outlook
 - b. **DPH:** Community Health Profiles Data Initiative
- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda.
- VI. Public Comment
- VII. Adjournment

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	6/12/2024		
BOARD MEETING DATE	6/25/2024		
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input checked="" type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th		
DEPARTMENT(S)	Public Works		
SUBJECT	CP Olive View-UCLA Medical Center Core Laboratory Remodel Project		
PROGRAM	N/A		
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If Yes, please explain why: N/A		
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable		
DEADLINES/ TIME CONSTRAINTS	N/A		
COST & FUNDING	Total cost:	Funding source:	
	\$9,355,000	Capital Project No. 8A043.	
	TERMS (if applicable): N/A		
Explanation: N/A			
PURPOSE OF REQUEST	Public Works is seeking Board approval of the Olive View-UCLA Medical Center Core Laboratory Remodel Project, associated appropriation adjustment, and authorization to use a Board-approved Job Order Contract for delivery of the project.		
BACKGROUND (include internal/external issues that may exist including any related motions)	There have been no prior Board actions related to this project.		
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	If Yes, please explain how:		
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	If Yes, please state which one(s) and explain how: The project supports Board Priority No. 7, Sustainability, by investing in County buildings to update and provide efficient County workforce environments, which will lead to improved productivity.		
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Vincent Yu, Deputy Director, (626) 458-4010, cell (626) 614-7217, vyu@pw.lacounty.gov .		



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE:

June 25, 2024

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:

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
OLIVE VIEW-UCLA MEDICAL CENTER
CORE LABORATORY REMODEL PROJECT
ESTABLISH AND APPROVE CAPITAL PROJECT
APPROVE PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
AUTHORIZE USE OF JOB ORDER CONTRACT
SPECS. 7933; CAPITAL PROJECT NO. 8A043
FISCAL YEAR 2023-24
(SUPERVISORIAL DISTRICT 3)
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval of the Olive View-UCLA Medical Center Core Laboratory Remodel Project, associated appropriation adjustment, and authorization to deliver the proposed project using a Board-approved Job Order Contract.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Olive View-UCLA Medical Center Core Laboratory Remodel Project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.

2. Establish and approve the proposed Olive View-UCLA Medical Center Core Laboratory Remodel Project, Capital Project No. 8A043, with a total project budget of \$9,355,000.
3. Approve the Fiscal Year 2023-24 appropriation adjustment to allocate \$234,000 from the Department of Health Services' Enterprise Fund-Committed for the Department of Health Services to fund the estimated Fiscal Year 2023-24 expenditures for the proposed Olive View-UCLA Medical Center Core Laboratory Remodel Project, Capital Project No. 8A043.
4. Authorize the Director of Public Works or his designee to deliver the project using a Board-approved Job Order Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to find the proposed Olive View-UCLA Medical Center (OV-UCLA MC) Core Laboratory Remodel Project exempt from the California Environmental Quality Act (CEQA); establish and approve the project, project budget, and related appropriation adjustment; and authorize delivery of the proposed project using a Board-approved Job Order Contract (JOC).

Project Description and Background

The OV-UCLA MC is located at 14445 Olive View Drive in the neighborhood of Sylmar in the City of Los Angeles and provides healthcare services to communities within the San Fernando Valley and North County area. The six-story 355-bed hospital facility was constructed more than 30 years ago. The proposed project will remodel the existing central core laboratory, located on the First Floor of the main hospital building, to keep up with OV-UCLA MC's increased demand for modern laboratory services and to continue providing quality care.

As part of the work for the proposed project, associated infrastructure and utilities will require changes to the mechanical, electrical, plumbing, and structural support systems to accommodate the remodel of the current space and the replacement of existing laboratory equipment with new equipment since the manufacturer will cease to support ongoing maintenance and service to equipment due to its age. Code compliant anchorage required to secure the new and existing laboratory equipment in place will be provided. Additionally, the project includes the installation of electrical

panels, mechanical condensing units, and associated roof work required for the core laboratory remodel and code compliance.

The work will be performed in three separate phases to minimize impact to hospital operations by first creating temporary laboratory functions in adjacent rooms, followed by the remodel of the existing core laboratory, and finally the relocation of the temporary laboratory functions back into the newly renovated central core laboratory.

The remodeling of the hospital's central core laboratory and infrastructure improvements will enable OV-UCLA MC to continue to provide reliable and state-of-the-art diagnostic services to residents of the County seeking healthcare services throughout the greater Antelope Valley, Los Angeles, San Fernando Valley, and Santa Clarita Valley communities.

The Department of Health Services (DHS) completed the plans, specifications, and jurisdictional approvals using a Board-approved Professional and Technical Services Master Agreement (PAT SMA) authorizing Leo Daly Architects to complete the architectural/engineering services for the OV-UCLA MC Core Laboratory Remodel Project. Upon Board approval, DHS will continue to use Leo Daly Architects through DHS PAT SMA for construction administration and answering request for information from JOC as Leo Daly Architects is the Architect of Record.

Public Works is now seeking approval to complete the remodeling using Board-approved JOC.

If approved, the remodeling is anticipated to begin in July 2024 and will be substantially completed in March 2027 for the OV-UCLA MC Core Laboratory Remodel Project. The Roche Cobras, chemistry analyzers, and Sysmex, hematology XN3100 analyzers, for the laboratory equipment have been procured by DHS through a Reagent Rental contract in place with the vendors. Additional laboratory equipment, including a Global Water Treatment Water Filtration System, Pluggo Rack Handler Decapper, and KapSafe Recapper will be procured by DHS and OV-UCLA MC through a purchase order.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 1, Make Investments that Transform Lives, Focus Area Goal A, Healthy Individuals and Families, Strategy ii, Improve Health Outcomes, by promoting comprehensive and inclusive care

through investments in public healthcare infrastructure that enhance the quality and delivery of healthcare services to Los Angeles County residents; and North Star 3, Realize tomorrow's government today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by evaluating our current Capital Projects and identifying the need to replace or modernize legacy/obsolete infrastructure. These recommended actions support the Strategic Plan by investing in public healthcare infrastructure improvements that will enhance the quality and delivery of healthcare services to the residents of Los Angeles County, in particular the North County region.

FISCAL IMPACT/FINANCING

The total project budget is estimated at \$9,355,000, including construction, change order contingency, plans and specifications, permit fees, consultant services, inspection services, and County services. The projects' budget and schedule are included in Enclosure A. DHS has previously paid \$802,000 for plans and specifications and preliminary assessment fees through the DHS operating budget.

Board approval of Fiscal Year's 2023-24 appropriation adjustment (Enclosure B) will allocate \$234,000 from the DHS' Enterprise Fund-Committed for DHS to fund the projected Fiscal Year 2023-24 expenditures for the OV-UCLA Core Laboratory Remodel Project, Capital Project No. 8A043. DHS will provide funding in the future budget phases, as needed, to fully fund the remaining project budget. There is no net County cost impact associated with the recommendations.

Operating Budget Impact

Following completion of the proposed project, DHS will request and fund the associated ongoing annual maintenance and operational costs, as needed, with departmental resources in future budget phases.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy amended on August 4, 2020, the proposed project budget includes one percent of the eligible design and construction costs for the Civic Art allocation in the amount of \$65,000 for the OV-UCLA MC Core Laboratory Remodel Project.

The project is subject to Board Policy 5.270, Countywide Local and Targeted Worker Hiring.

The proposed project will support the Board's Green Building/Sustainable Design Program policy by minimizing the amount of demolition materials disposed of in landfills during construction and incorporating energy-efficient equipment.

ENVIRONMENTAL DOCUMENTATION

The proposed project is categorically exempt from CEQA. OV-UCLA MC Core Laboratory Remodel Project consists of repairs and remodeling work, including replacement of some equipment in an existing building housing laboratory, and office space. The proposed project is within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Sections 15301 (a), (d), and (l); and 15302 (c) of the State CEQA Guidelines and Classes 1 (c), (d), and (l); and 2 (e) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project provides for repair, refurbishment, replacement, and minor alterations of existing facilities involving negligible or no expansion of an existing use and where replacement features will have the same purpose and capacity.

Additionally, the project will comply with all applicable regulations, is not located in a sensitive environment, and there are no cumulative impacts, no unusual circumstances, no damage to scenic highways, not part of the listing on hazardous waste sites pursuant to Government Code Section 65962.5, and no indications that the project may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable based on the records of the proposed project.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Governor's Office of Planning and Research in accordance with Section 21152 of the California Public Resources Code and will post the notice to County's website in accordance with Section 21092.2.

CONTRACTING PROCESS

DHS completed the design for the project using a Board-approved PATSMA for the architectural/engineering firm. Public Works is now recommending the use of Board-approved JOC to complete the remodeling work.

The scope for this project includes substantial remodeling and alteration work, and Public Works has determined that the use of JOC is the most appropriate contracting method to deliver the project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have minimal impact on current County services. The OV-UCLA MC core laboratory will remain operational during construction, and the contractor will be required to phase and coordinate construction activities with the County to minimize disruption to facility operations and functions.

The Honorable Board of Supervisors
June 25, 2024
Page 7

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA, PE
Director of Public Works

MP:HA:sl

Enclosures

- c: Department of Arts and Culture (Civic Art Division)
- Auditor-Controller
- Chief Executive Office (Capital Programs Division)
- County Counsel
- Executive Office
- Department of Health Services (Capital Project Division)

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
OLIVE VIEW-UCLA MEDICAL CENTER
CORE LABORATORY REMODEL PROJECT
ESTABLISH AND APPROVE CAPITAL PROJECT
APPROVE PROJECT BUDGET
APPROVE APPROPRIATION ADJUSTMENT
AUTHORIZE USE OF JOB ORDER CONTRACT
SPECS. 7933; CAPITAL PROJECT NO. 8A043
FISCAL YEAR 2023-24
(SUPERVISORIAL DISTRICT 3)
(4 VOTES)**

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date
Construction Documents	May 2024
Jurisdictional Approvals	May 2024
Construction Start	July 2024
Substantial Completion	March 2027
Final Acceptance	June 2027

II. PROJECT BUDGET SUMMARY

Project Budget Category	Proposed Budget
Construction (Job Order Contract)	\$4,400,000
Change Order Contingency	\$1,100,000
Civic Art Allowance	\$ 65,000
Other – Gordian Group	\$ 138,000
Construction Subtotal	\$5,703,000
Plans and Specifications	\$1,022,000
Consultant Services	\$ 825,000
Miscellaneous Expenditures	\$ 50,000
Jurisdictional Review/Plan Check/Permits	\$ 165,000
County Services	\$1,590,000
Soft Cost Subtotal	\$3,652,000
TOTAL PROJECT COST	\$9,355,000

PINK

BA FORM 10142022

BOARD OF SUPERVISORS
OFFICIAL COPY

April 22, 2024

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2023-24
4 - VOTES

SOURCES		USES	
DHS ENTERPRISE FUND MN2-3078 COMMITTED FOR DHS DECREASE OBLIGATED FUND BALANCE	234,000	DHS ENTERPRISE FUND MN2-HS-6100-60070 OTHER FINANCING USES INCREASE APPROPRIATION	234,000
OLIVE VIEW-UCLA MEDICAL CENTER ENTERPRISE FUND MN3-HO-96-9911-60050 OPERATING TRANSFERS IN INCREASE REVENUE	234,000	OLIVE VIEW-UCLA MEDICAL CENTER ENTERPRISE FUND MN3-HO-96-9912-60050 OPERATING SUBSIDY - GENERAL FUND DECREASE REVENUE	234,000
ENT SUB - OLIVE VIEW-UCLA MEDICAL CENTER A01-AC-6100-21200-21232 OTHER FINANCING USES DECREASE APPROPRIATION	234,000	OLIVE VIEW-UCLA MEDICAL CENTER OLIVE VIEW-UCLA MEDICAL CENTER CORE LABORATORY REMODEL A01-CP-6014-64030-8A043 CAPITAL ASSETS - B & I INCREASE APPROPRIATION	234,000
SOURCES TOTAL	\$ 702,000	USES TOTAL	\$ 702,000

JUSTIFICATION

This budget adjustment of \$234,000 is necessary to fund Capital Project No. 8A043, Olive View-UCLA Medical Center Core Laboratory Remodel Project, from DHS Enterprise Fund-Committed for DHS for anticipated expenditures in FY 2023-24.

AUTHORIZED SIGNATURE

JEAN LO, CHIEF, CONTROLLER'S DIVISION

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR---

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY _____

CHIEF EXECUTIVE OFFICER

BY _____

B.A. NO. _____

DATE _____

DATE _____

BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

CLUSTER AGENDA REVIEW DATE	6/12/2024	
BOARD MEETING DATE	6/25/2024	
SUPERVISORIAL DISTRICT AFFECTED	<input type="checkbox"/> All <input type="checkbox"/> 1 st <input checked="" type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Public Works, Health Services, Mental Health	
SUBJECT	CP Harbor-UCLA Medical Center Replacement Program, Approve Revised Project Budget	
PROGRAM	N/A	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable	
DEADLINES/ TIME CONSTRAINTS	Additional contingency is required in June 2024 to avoid delays to the Harbor-UCLA Medical Center (H-UCLA MC) Replacement Program.	
COST & FUNDING	Total cost: \$60,000,000	Funding source: The \$60,000,000 additional budget will be funded by Department of Health Services in the amount of \$53,628,000 (89.38 percent) and Department of Mental Health in the amount of \$6,372,000 for (10.62 percent).
	TERMS (if applicable): N/A	
	Explanation: N/A	
PURPOSE OF REQUEST	Public Works is seeking Board approval of the revised project budget of \$1,755,000,000 an increase of \$60,000,000 from the previously Board-approved budget.	
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>On February 8, 2022, the Board approved a revised total project budget of \$1,695,000,000 for the H-UCLA MC Replacement Program and a design-build agreement with Hensel Phelps Construction Company. Between March 2022 to April 2024, the Board approved the execution of a total of 13 change orders for a total not-to-exceed amount of \$36,180,000 within the \$1,695,000,000 Board-approved project budget.</p> <p>Design and construction of the H-UCLA MC Replacement Program is approximately 30 percent complete, with the last 3 buildings to commence construction in mid-2024. During the preliminary design and construction phase, the original approved project contingencies were expended on unanticipated design and jurisdictional changes. Additional contingency, which is estimated at \$60,000,000, is required to expeditiously address unforeseen conditions and any unforeseen design and/or jurisdictional changes required as the last 3 buildings go into construction. This funding is also anticipated to fund the Criteria Document interpretation issues raised by the Design-Builder. As this budget increase is just an estimate, Public Works plans to return to the Board in 2025 for approval of the final budget.</p>	
EQUITY INDEX OR LENS WAS UTILIZED	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how: The project will ensure that medical and mental health services continue to be provided to a community that has been historically underserved.	
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: These recommendations support Board Priority No. 2 - Alliance for Health Integration by consolidating all inpatient and outpatient clinical and mental health services on the H-UCLA MC Campus.	
DEPARTMENTAL CONTACTS	Name, Title, Phone # & Email: Vincent Yu, Deputy Director, (626) 458-4010, cell (626) 614-7217, vyu@pw.lacounty.gov	



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE:

June 25, 2024

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
HARBOR-UCLA MEDICAL CENTER
REPLACEMENT PROGRAM
APPROVE REVISED PROJECT BUDGET
CAPITAL PROJECT NO. 67965
FISCAL YEAR 2023-24
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to revise the project budget for the Harbor-UCLA Medical Center Replacement Program.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended action is not a project under the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the proposed activity.
2. Approve the revised project budget of \$1,755,000,000, an increase of \$60,000,000 from the previous Board-approved amount of \$1,695,000,000, for the Harbor-UCLA Medical Center Replacement Program, Capital Project No. 67965.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to seek Board approval to find that the recommended activity is not a project under the California Environmental Quality Act (CEQA) and approve the revised project budget.

Background

Senate Bill 1953 mandates that all California General Acute-Care Hospitals meet structural and nonstructural seismic strengthening requirements by January 1, 2030. The Harbor-UCLA Medical Center (H-UCLA MC) Replacement Program will not only bring the hospital in compliance with the mandate, but also consolidate inpatient and outpatient services into new buildings that optimize operational effectiveness, reduce operation and maintenance costs, provide outpatient facilities that accommodate planned patient visits, implement sustainability, and create a campus designed for the wellbeing of patients and staff.

The program includes construction of an Outpatient/Support Building which includes 233 clinic exam rooms that are distributed across three floors of clinic space. The clinics are arrayed throughout the floors to promote an integrated care model that meets patients' complex care needs. The program also includes construction of an Inpatient Tower Building with 347 inpatient beds, including 36 psychiatric beds, new psychiatric emergency department, and permanent rooftop helistop. The current hospital is licensed at 453 beds and runs an average daily census of 312 patients. The hospital's census has steadily increased over the past four years. The industry standard is to estimate census at 85 percent of licensed bed capacity; using this calculation, the proposed licensed capacity of 347 beds is necessary to meet patient demand.

Additionally the program includes construction of a 1,500-stall above-grade parking structure; a new Central Utility Plant to serve new buildings under the jurisdiction of the California Department of Health Care Access and Information; a new Support Services Building for the campus Information Technology and Facilities staff; and a new Regional Laboratory; and related make-ready work, such as several new surface parking lots, a 66-kilovolt electrical substation, a 12-kilovolt electrical building, and tenant improvements.

On February 8, 2022, the Board approved a total project budget of \$1,695,000,000 for the H-UCLA MC Replacement Program. The project budget included a stipulated sum design-build contract with Hensel Phelps Construction Company for a maximum not-to-exceed contract sum of \$1,238,179,000; inclusive of a \$1,112,179,000 stipulated sum contract plus a \$30,000,000 Design Completion Allowance; and a \$96,000,000 Medical Equipment Allowance. The Board also delegated authority to the Director of Public Works or his designee to approve change orders for a maximum of \$750,000 subject to the limits that the aggregate amount of all such delegated authority change orders does not exceed 25 percent of the original contract amount as set forth in Public Contract Code Section 20145.

Between March 2022 and April 2024, the Board approved the execution of a total of 13 change orders for a total not-to-exceed amount of \$36,180,000 to Hensel Phelps.

These change orders are within the Board-approved budget of \$1,695,000,000 for various scopes of work but exceed Public Works delegated authority of \$750,000.

Construction for the Information Technology/Facilities Shops building has been substantially completed. Construction of the Parking Structure A and the Outpatient/Support Building began in September 2022 and June 2023, respectively. Construction of the remaining three buildings; the Inpatient Tower, Regional Laboratory, and Central Utility Plant; is scheduled to begin in mid-2024. Construction of all buildings is scheduled to be completed by August 2027.

Revised Project Budget

During the preliminary design and construction phase, the original approved project contingencies were expended on unanticipated design and jurisdictional changes.

Design changes needed to incorporate additional criteria and/or changes to the Criteria Documents were required to meet the operational needs of the facility. Examples of previously approved change orders necessary for operational efficiency included redesign of the proposed breezeway connector between the existing Surgery/Emergency Building and the new Inpatient Tower to connect and fully integrate the two buildings; additional infrastructure for the Laboratory Building to support equipment that was not identified in the Criteria Documents; additional dedicated Uninterrupted Power Supply units for the procedure rooms at the Inpatient Tower to ensure medical staff can complete procedures uninterrupted in the event of a power loss; redesign of the mechanical system at the Inpatient Tower to provide negative pressure at numerous exam rooms to account for pandemic conditions; and additional spare breakers for the Central Utility Plant, including associated duct bank and feeders to account for future growth on the campus.

Additionally, jurisdictional requirements enacted post Design-Build award required changes to the ongoing design and construction. Examples of previously approved jurisdictional change orders include, additional antenna, frequency, and pathway survivability for the Emergency Responder Distributed Antenna System, affecting all the new buildings; addition of Class 2 Imaging Rooms required by the California Department of Healthcare Access and Information to provide additional support spaces for various imaging suites; and increase in the Electric Vehicle charging stations from 10 percent to 25 percent of the total number of parking spaces to meet the Los Angeles County Green Building Code.

Currently the Design-Build construction is approximately 30 percent complete and construction of the remaining three buildings is scheduled to begin in mid-2024. In order to continue construction without delays to the project, additional contingency is required to expeditiously address unforeseen conditions, and design and jurisdictional changes

required. Additionally, the Design-Builder has raised issues related to the interpretation of the Criteria Documents, which may result in the need for additional funding.

In late 2023, Public Works completed a risk analysis, which included an assessment of future risk to the program, as well as value engineering opportunities, such as omission of unnecessary building components. To date, \$4,000,000 of value engineering items have been executed with an additional \$2,600,000 under negotiation. Taking into consideration the program's value engineering efforts, the risk analysis projected \$60,000,000 being required to mitigate future unforeseen conditions, design and jurisdictional changes, and interpretation issues that may arise as construction commences on the final three buildings. As this budget increase is just an estimate, Public Works plans to return to the Board in early 2025 to recommend a final budget for approval.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: North Star 1, Make Investments that Transform Lives, Focus Area Goal A, Healthy Individuals and Families, Strategy ii, Improve Health Outcomes, by promoting comprehensive and inclusive care through investments in public healthcare infrastructure that enhance the quality and delivery of healthcare services to Los Angeles County residents; and North Star 2, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by evaluating our current Capital Projects and identifying the need to replace or modernize legacy/obsolete infrastructure. These recommendations support the County Strategic Plan by investing in public healthcare infrastructure improvements that will enhance the quality and delivery of healthcare services to the residents of Los Angeles County.

FISCAL IMPACT/FINANCING

On February 8, 2022, the Board approved the total project budget of \$1,695,000,000 for the H-UCLA MC Replacement Program. Approval of the recommended actions will increase the previous Board-approved project budget to \$1,755,000,000, an increase of \$60,000,000. The revised project budget includes predevelopment activities, programming, make-ready work, scoping documents, plans and specifications, permit fees, construction, change order contingency, medical equipment and design completion allowances, Civic Art, consultant services, inspection services, and County services. The revised project budget and schedule are included in the Enclosure.

Based on the expected use of the additional budget of \$60,000,000, estimated cost allocation between Department of Health Services (DHS) and Department of Mental Health (DMH) is \$55,700,000 and \$4,300,000, respectively. The cost allocation for the

revised total program budget of \$1,755,000,000 will be increased from \$1,515,033,000 to \$1,570,733,000 for DHS, and from \$179,967,000 to \$184,267,000 for DMH.

On February 8, 2022, the Board approved for the H-UCLA MC Replacement Program to be financed through short-term, long-term, or a combination of both types of financing mechanisms. The financing costs of the Notes, including interest, insurance, and administrative expenses are funded by the benefiting department's operating budget.

The funding for the annual debt repayment for DHS will come from existing and new departmental operating subsidies and Federal dollars from the provision of care to Medi-Cal beneficiaries in the nonpsychiatric areas of the inpatient building. The DMH share of cost will be funded with the department's 2011 Realignment funds. The Chief Executive Office will continue to work with both DHS and DMH to monitor the fiscal outlook of both departments and communicate to the Board any material changes that could impact their ability to meet the future debt service obligations for the project.

There is no net County cost impact associated with the recommended actions.

Operating Budget Impact

Following completion of the project, DHS will request and fund annual ongoing maintenance and operational costs, as needed, with departmental resources in future budget phases.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy, adopted on December 7, 2002, and last amended on August 4, 2020, the project budget includes a \$2,000,000 Civic Art allocation, which is greater than the \$1,000,000 maximum required by the Board's policy. The \$2,000,000 Civic Art allocation will not be impacted by the proposed budget increase.

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Development (LEED) policy requiring all new County buildings greater than 10,000 square feet in size to achieve LEED Gold certification. In accordance with this policy, the new buildings will be designed and constructed to achieve LEED Gold Certification with the exception of the parking structure because the United States Green Building Council no longer provides LEED certificates for parking structures. Additionally, the program will continue to support the Board's Policy for Green Building/Sustainable Design Program by recycling disposable material, incorporating energy efficient products during construction, and incorporating native, drought-tolerant landscaping.

ENVIRONMENTAL DOCUMENTATION

The County prepared and certified an environmental impact report, as lead agency under CEQA for the H-UCLA MC Campus Master Plan on December 16, 2016. Addenda to the Environmental Impact Report were certified for changes to the project proposed in 2020 and 2022. However, the recommended action, to approve a revised, increased budget, is not a project under CEQA, since it is excluded from the definition of a project under Section 21065 of the California Public Resources Code and is fiscal activity of government, which does not involve any commitment to any specific project and organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment. The budget increase recommended herein is not intended to approve any project activity under CEQA that has not been previously approved. Prior to approval of any new activity that would be a project under CEQA, Public Works will recommend appropriate CEQA findings, as necessary, at the time project approval is recommended.

CONTRACTING PROCESS

To date, Public Works has executed 17 allowance reallocation contract amendments for a total not-to-exceed amount of \$63,350,840. Additionally, Public Works has executed 71 change orders under delegated change order authority for a total not-to-exceed amount of \$9,253,946. Of the \$36,180,000 approved in the four previous Board letters, \$26,601,059 is pending execution of change orders.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended change orders are within the Design-Builder's limits of work and will not result in any additional impacts to the current services on the H-UCLA MC Campus.

CONCLUSION

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA, PE
Director of Public Works

MP:HA:jc

Enc.

c: Department of Arts and Culture (Civic Art Division)
Chief Executive Office (Capital Programs Division)
County Counsel
Executive Office
Department of Health Services (Capital Projects Division)
Department of Mental Health

**CONSTRUCTION-RELATED CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
HARBOR-UCLA MEDICAL CENTER
REPLACEMENT PROGRAM
APPROVE REVISED PROJECT BUDGET
CAPITAL PROJECT NO. 67965
FISCAL YEAR 2023-24
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date
Scoping Documents	June 2021*
Design-Build Award	February 2022*
Jurisdictional Approvals	Various
Substantial Completion-Parking Structure A	June 2024
Substantial Completion-Outpatient/Support Building	June 2026
Substantial Completion-Central Plant	May 2027
Substantial Completion-Inpatient Tower	August 2027
Project Acceptance	December 2027

*Completed Activity

II. PROJECT BUDGET SUMMARY

Project Budget Category	Previous Board Approved Budget	Changes Under Delegated Authority	Impact of this Action	Revised Total Project Budget
Design-Build Construction	\$1,207,176,949	\$ 4,207,896		\$1,211,384,845
Make-Ready Construction	\$ 139,219,239	\$(1,311,367)		\$ 137,907,872
Change Order Contingency	\$ 41,851,873	\$ (414,750)	\$60,000,000	\$ 101,437,123
Civic Arts	\$ 2,000,000			\$ 2,000,000
Stipend	\$ 1,000,000			\$ 1,000,000
Medical Equipment Allowance	\$ 49,792,102			\$ 49,792,102
Design Completion Allowance	\$ 15,338,837	\$(2,481,779)		\$ 12,857,058
Plans and Specifications	\$ 51,000,000			\$ 51,000,000
Consultant Services	\$ 137,000,000			\$ 137,000,000
Miscellaneous Expenditures	\$ 1,650,000			\$ 1,650,000
Jurisdictional Review/ Plan Check/Permits	\$ 21,681,000			\$ 21,681,000
County Services	\$ 27,290,000			\$ 27,290,000
TOTAL	\$1,695,000,000	\$ 0	\$60,000,000	\$1,755,000,000



Health Services
LOS ANGELES COUNTY

June 25, 2024

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District


Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice K. Hahn
Supervisor Kathryn Barger

FROM: Christina R. Ghaly, M.D. 
Director

SUBJECT: **DEPARTMENT OF HEALTH SERVICES' (DHS)
FISCAL OUTLOOK**

Christina R. Ghaly, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Deputy Director, Clinical Affairs

Nina J. Park, M.D.
Chief Deputy Director, Population Health

Elizabeth M. Jacobi, J.D.
Administrative Deputy

This is to provide an update to DHS' fiscal forecast for Fiscal Years (FY) 2023-24 through 2026-27 (Attachment I-A). DHS (excluding DHS Community Programs [CP] and Correctional Health Services [CHS]) is forecasting an available fund balance of \$1.3 billion in FY 2023-24, \$1.2 billion in FY 2024-25, \$1.1 billion in FY 2025-26, and \$235.6 million in FY 2026-27.

There are only a few key changes from the December 19, 2023 Fiscal Outlook. First, DHS has paid off \$203.0 million in commercial paper that was used to short-term finance previously approved capital projects (further explained in this letter). Second, this forecast adjusts the timing of revenue recognition for the Enhanced Payment Program (EPP) and Rate Range programs. DHS is working with the Department of Health Care Services (DHCS) to reduce the Long-Term Receivables (LTRs) for the two programs. The resolution of the LTRs for Rate Range is anticipated in FY 2024-25 and for EPP in FY 2025-26. Third, DHS expects the federal Office of Inspector General to formally issue the audit results for the Provider Relief Fund revenues in FY 2024-25, which is currently accounted for as a non-spendable reserve in the fiscal forecast.

Attachment I-A provides details for DHS' department-wide operations (excluding DHS CP and CHS); Attachment I-B provides details for DHS CP; Attachment I-C provides details for DHS CHS; and Attachment I-D provides a department-wide summary including DHS CP and CHS.

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Available Fund Balance

The significant decrease in DHS' available fund balance over the four-year fiscal forecast period reflected in Attachment I-A demonstrates our continuing structural deficit. The root cause of the ongoing structural deficit is the fact that the current financial system for financing public hospitals does not provide sufficient funding in Medi-Cal managed care and fee-for-service (FFS) revenues to cover costs. Public hospitals in California must self-finance (i.e., provide the non-federal share) for a large portion of their budgets, leaving public hospitals without sufficient revenue to fully cover their costs.

DHS has been working with the other public hospitals which are experiencing similar revenue shortfalls to request that DHCS and California's Medi-Cal managed care plans address managed care funding shortfalls. Discussions with DHCS and the managed care health plans are expected to be protracted as the current financing system for the public hospitals is complicated. The FFS shortfalls are also being discussed with DHCS. Any potential changes that may be forthcoming as a result of these protracted discussions will still not guarantee a resolution to DHS' structural deficit.

Due to the significant imbalance between DHS' estimated expenditures and revenues which result in an ongoing structural deficit, one-time positive adjustments made in earlier years increase the available fund balance offsetting the existing annual structural deficit.

Updates to Major Fiscal Issues

Current Year Surplus/(Deficit)

For 2023-24, DHS is forecasting a surplus of approximately \$21.1 million at year-end closing.

New Managed Care Rules

On May 10, 2024, the Centers for Medicare and Medicaid Services (CMS) issued finalized Medicaid rules imposing new requirements on both states and Medicaid managed care plans to report and analyze payment rates and access to services. To determine access levels, the new rules establish federal standards for appointment wait times for various services, e.g., primary care, OB/GYN, mental health, etc., beginning in July 2027. Compliance with these standards requires the rate of appointment availability to be at least 90%.

Also, CMS establishes a numerical floor for FFS Medicaid rates, requiring the rates, in the aggregate, i.e., including base and supplemental payments, to equal at least 80% of the comparable Medicare rate. In addition, FFS payments for a benefit category may not be reduced by more than 4% per year. Both states and Medicaid plans will be required to conduct and report rate analyses for certain core services compared to Medicare physician fee schedule payments for the same services by July 1, 2026. The rule also establishes an aggregate cap on in-lieu of services of no more than 5% of total capitation payments.

In addition, the rules codify the ability of states to use directed payments to Medicaid providers to enhance payment rates to equal the average commercial rate for the same services. While the rule does not establish a cap on directed payments, the rates have to be “reasonable, appropriate, and attainable” and must utilize permissible sources for the non-federal share of the enhanced payments. Given that the new rules have only recently been released and the State’s implementation plans are pending development, DHS does not have enough information to estimate an impact at this time.

Managed Care Contracting

Pursuant to DHCS’ competitive procurement process for Medi-Cal managed care, in Los Angeles County, Health Net Health Plan (Health Net) was awarded the commercial plan and has a subcontracting agreement with Molina Healthcare (Molina). DHS has finalized contracts for base rates with Molina and Health Net for Calendar Year (CY) 2024. Negotiations with LA Care for the CY 2024 base rates are currently ongoing and an agreement is anticipated by the end of June. Accordingly, the fiscal forecast does not include the impact of any negotiated rate changes with LA Care.

Disproportionate Share Hospital (DSH) Funding

On March 9, 2024, President Biden signed the Consolidated Appropriations Act that eliminates the scheduled Medicaid DSH cut for federal fiscal year (FFY) 2024 and delays the FFY 2025 cut to January 1, 2025. DHS will continue to closely monitor any legislative activities related to DSH.

Updates to Major Revenue Categories

Medi-Cal Redetermination

As reported previously, because of the COVID-19 pandemic and the issuance of a public health emergency order, the annual Medi-Cal requirement to redetermine a beneficiary’s eligibility was suspended and large numbers of beneficiaries retained continuous Medi-Cal coverage throughout the pandemic. This resulted in a significant increase in the number of beneficiaries assigned to DHS.

The redetermination process in California resumed in July 2023 and is expected to be fully phased in by June 2024. As the redetermination process returns to normal, DHS estimates a loss of 135,000 members (due to those individuals either not completing the redetermination process or no longer being eligible for Medi-Cal) and an estimated decrease of approximately \$200.0 million annually in net capitation revenue.

Expanded Medi-Cal Coverage

Effective May 1, 2022, DHCS implemented the Older Adult Expansion (OAE) Medi-Cal program that expanded eligibility for full-scope Medi-Cal benefits to individuals who are 50 years of age or older, regardless of their citizenship or immigration status. DHS estimates approximately 40,000 of its assignments are in the OAE program.

Effective January 2024, the State expanded full Medi-Cal eligibility to the remaining group of income-eligible California residents, aged 26-49, regardless of their citizenship or immigration status. The coverage expansions may result in increased DHS member assignments; however, any potential increase is expected to be reduced to some extent, depending on the rate at which these Medi-Cal beneficiaries fail to complete the redetermination process and ultimately lose their Medi-Cal coverage. DHS continues to monitor the impact as the redetermination process is being phased in and will update the fiscal forecast accordingly.

California Advancing & Innovating Medi-Cal (CalAIM)

DHS participates in a number of CalAIM programs which provide Medi-Cal revenue for a number of care coordination and social supports programs offered and/or operated by DHS. These programs include Enhanced Care Management, which is estimated to provide \$7.3 million in revenue for FY 2023-24, and Community Supports, which comprises a number of housing and social supports, estimated at approximately \$58.0 million in revenue for FY 2023-24. Revenues are subject to annual contract negotiations with Medi-Cal managed care plans and are projected to be stable for FY 2024-25.

DHS is also preparing for the mandated CalAIM Justice Involved Initiative and submitted an application for planning funds under Providing Access and Transforming Health (PATH) Round 3. Funding awards have not been announced as of the date of this report.

AB 85 Realignment

AB 85 establishes a formula to redirect a certain portion of “excess” state health realignment funds to social services programs based on a sharing ratio of 80% State and 20% County. Based on current estimates, DHS is projecting the AB 85 redirection amount to be \$0 for the current fiscal year and continuing at \$0 going forward.

In-Home Supportive Services (IHSS) Provider Health Plan

The cost for DHS to provide healthcare services to the IHSS providers enrolled in the health plan exceeds the net capitation revenue that DHS receives annually by approximately \$85.0 million. This is primarily due to cost escalations over the last decade without any corresponding increases in the capitation rate DHS receives per member to provide health care services. DHS has evaluated the need to increase the health plan capitation rate to cover DHS’ financial losses and to provide an investment in the IHSS network. LA Care proposed a rate increase for the IHSS program; however, DHS has asked for revisions and is currently waiting for LA Care’s response.

Summary

Until DHS can fully resolve shortfalls with additional revenue or implementation of additional cost reduction strategies, DHS will need to continue to use one-time fund balance to close the annual funding gap.

DHS Community Programs (Attachment I-B)

DHS CP includes the Housing for Health program and the Office of Diversion and Reentry, including Harm Reduction activities. Housing for Health provides housing, intensive case management and health care to individuals experiencing homelessness. The Office of Diversion and Reentry provide services that primarily diverts people with mental illness and substance use disorder from the LA County jails and places them in permanent supportive housing. Harm Reduction activities include conducting overdose prevention work and other community programs that serve individuals who use drugs. In addition, the DHS CP unit also manages Community Supports under the CalAIM Medi-Cal waiver and includes programs such as the Medical-Legal Community Partnership.

DHS CP is projecting that replacement funding of approximately \$14.4 million will be needed starting in FY 2024-25 and up to \$96.6 million will be needed in FY 2026-27. This is primarily due to the loss of CalAIM funding, one-time American Rescue Plan Act-enabled funding, and one-time Housing for a Healthy California grant funding, with no ability to reduce associated program costs without cutting services and/or housing placements. As a plan to mitigate this funding gap is still to be determined, DHS will work closely with the CEO Homeless Initiative to identify potential strategies to mitigate existing costs and/or identify potential alternative funding sources.

Correctional Health Services (Attachment I-C)

While DHS manages CHS operations, CHS is primarily funded with net County cost. DHS requests additional funding for CHS, as needed, through the County's budget process. At this time, DHS is estimating a balanced budget for CHS through FY 2026-27; however, DHS continues to work with the CEO and the Sheriff to address various Department of Justice (DOJ)-related operational and staffing issues. DHS will continue to discuss any supplemental funding needs with the CEO should additional funding be necessary to comply with the DOJ consent decree.

Updates to Major Cost Categories

Salary & Employee Benefits (S&EB) Increases

DHS is required to fund any increases in its S&EB that result from increased labor costs, including those due to new or revised labor agreements with our majority represented workforce. The forecast includes the additional S&EB costs for those bargaining tables that have been closed and approved by the Board, estimated to exceed \$120.0 million annually.

The County has reached a tentative agreement in its negotiations with the Union of American Physicians and Dentists (UAPD). The next steps are review and ratification by the members of UAPD Bargaining Units 324 and 325 and, if approved by the membership, will be submitted to the County Board of Supervisors for approval. Any additional costs negotiated with UAPD and approved by the Board that are beyond the standard County COLA are not included in this forecast.

SB 525, enacted on October 13, 2023, is a new minimum wage law setting pathways to a \$25 minimum wage for health care workers. Due to the size of our hospital system and being County-owned or operated, the new healthcare worker minimum hourly wage will be phased in on the expedited timeframe listed below:

- \$23.00 in January 2025
- \$24.00 in June 2025
- \$25.00 in June 2026
- minimum wage after 2026 will be indexed to the lower of inflation or 3.5%

In addition to the hourly minimum wage provisions, the bill requires that salaried health care employees earn a monthly salary equivalent to no less than 150% of the health care worker minimum wage or 200% of the applicable minimum wage, whichever is greater. A workgroup has been created with the CEO, County Counsel, and DHS, DMH, and Public Health Departments to review classifications and SB 525 eligibility criteria, and to develop implementation steps for the new minimum wage requirements.

DHS has included the projected impact of both provisions of SB 525 to its S&EB in the DHS fiscal forecast as follows:

- FY 2024-25: \$45.0 million
- FY 2025-26: \$95.0 million
- FY 2026-27: \$100.0 million

Harbor-UCLA Medical Center Replacement Project (H-UCLA Replacement Project)

In February 2022, the Board approved the design-build contract with Hensel-Phelps for the construction of the H-UCLA Replacement Project. The long-term debt service costs for the H-UCLA Replacement Project will be shared based on the total project cost split between DHS (90%), and DMH (10%), whose share of cost will fund the construction of psychiatric emergency services and psychiatric inpatient beds. Working with DMH, these percentages will be revised to account for DHS paying down a portion of the replacement costs before it gets converted into long-term debt financing.

Since the Board's approval, a series of meetings have been held with clinical users to develop the design for the hospital, clinic, lab, and support service buildings and parking structure. The plans for the Clinic and Hospital buildings are currently going through jurisdictional approvals. Construction of the Support Services Building has been completed and the Facilities Management, Information Technology, and Safety programs took occupancy of the building in May 2024. The 1,500-space parking structure will be completed and open for use in June 2024. Construction began in May 2023 on the Clinic Building and the steel structure was topped off in March 2024. Completion of this building is anticipated in mid-2026.

Demolition and site preparation for the hospital is underway and construction is anticipated to begin this summer. The H-UCLA Replacement Project is expected to be completed by 2028. DHS used its fund balance to pay a total of \$580.0 million in FYs 2021-22 through 2023-24 for the planning, design, and construction costs for the H-UCLA Replacement Project and other projects as they occurred. Latest estimates are

predicting a project cost overrun. As firm numbers are available, we will update our estimated debt service payment assumptions. DHS will continue to work with CEO and Public Works on this matter.

Implementation of Cost Accounting System

DHS has completed the implementation of the new Cost Accounting Decision Support System. Multiple labor-intensive activities related to data capture, data quality, and data accuracy are ongoing. DHS is in the process of closely evaluating and analyzing the cost of primary care and urgent care services provided across DHS facilities. The detailed analysis is expected to assist in operational and strategic planning decisions.

Implementation of Patient Accounting System

DHS currently uses the Affinity Revenue Cycle Only (RCO) patient accounting system. DHS is planning to request Board approval to purchase the Cerner patient accounting system in spring of 2025 to replace the RCO system. The Cerner system will be integrated with DHS' electronic health record system (ORCHID) which will result in new billing protocols. In the existing RCO system, data is transferred to the billing vendor who then prepares and submits the claims through their own system. Under the new Cerner system, the data will reside in DHS' system and the billing vendors will submit claims through the DHS system.

DHS Finance has met with DHS' Contracts and Grants regarding the development of the Statement of Work for a Request for Proposals to select vendors for DHS' billing and recovery services for billing claims from the Cerner Patient Accounting System. We anticipated a phased implementation timeline starting in summer of 2026. Once implementation of the Cerner Patient Accounting System begins, DHS will be operating dual billing systems, i.e., services provided after the new system's start date will be billed in the new Cerner system, while services provided before that date will be billed using the old RCO system. We estimate the termination of the dual systems will occur in December 2029, at which time only the new system will be online.

If you have any questions or need additional information, please let me know, or you may contact Allan Wecker, Chief Financial Officer, at (626) 525-6100.

CRG:aw
Fiscal Outlook 062524
609:005

Attachments (4)

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

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FORECAST
FISCAL YEARS 2023-24 THROUGH 2026-27
(\$ IN MILLIONS)

ATTACHMENT I-A

A
DHS
(Excluding Community Programs and Correctional Health Services)

	Year 1		Year 2		Year 3		Year 4	
	A	B	C	D	E	F	G	
	FY 2023-24 Forecast	Adjustments	FY 2024-25 Forecast	Adjustments	FY 2025-26 Forecast	Adjustments	FY 2026-27 Forecast	
(1) Expenses								(1)
(2) Salaries & Employee Benefits	\$ 3,992.991	\$ 389.190	\$ 4,382.181	\$ 225.702	\$ 4,607.883	\$ 187.432	\$ 4,795.315	(2)
(3) Net Services & Supplies	2,856.699	21.486	2,878.185	103.738	2,981.923	105.534	3,087.457	(3)
(4) Debt Service - Harbor Master Plan	202.711	(160.314)	42.397	23.353	65.750	25.822	91.572	(4)
(5) Debt Service - Other	78.989	(16.675)	62.314	(0.049)	62.265	0.711	62.976	(5)
(6) Other Charges	1,766.207	(282.877)	1,483.330	47.967	1,531.297	25.308	1,556.605	(6)
(7) Capital Assets	59.191	(8.927)	50.264	-	50.264	-	50.264	(7)
(8) Capital Projects & Deferred Maintenance	56.941	32.725	89.666	1.171	90.837	(1.811)	89.026	(8)
(9) Operating Transfers Out	100.064	(68.506)	31.558	1.262	32.820	1.313	34.133	(9)
(10) Intrafund Transfer	(120.006)	(50.356)	(170.362)	-	(170.362)	-	(170.362)	(10)
(11) Total Expenses	\$ 8,993.787	\$ (144.254)	\$ 8,849.533	\$ 403.144	\$ 9,252.677	\$ 344.309	\$ 9,596.986	(11)
(12) Revenues								(12)
(13) Managed Care	1,225.740	(165.011)	1,060.729	(10.312)	1,050.417	(16.884)	1,033.533	(13)
(14) Enhanced Payment Program (EPP)	953.825	231.450	1,185.275	155.490	1,340.765	61.443	1,402.208	(14)
(15) Quality Incentive Program (QIP)	413.281	0.052	413.333	19.113	432.446	19.820	452.266	(15)
(16) Cali. Advancing & Innovating Medi-Cal (CalAIM)	7.573	(1.624)	5.949	-	5.949	(2.973)	2.976	(16)
(17) Providing Access & Transforming Health (PATH)	14.443	(12.537)	1.906	(1.906)	-	-	-	(17)
(18) Global Payment Program (GPP)	1,399.831	(62.705)	1,337.126	26.392	1,363.518	23.449	1,386.967	(18)
(19) Medi-Cal Inpatient	472.772	13.821	486.593	16.854	503.447	17.457	520.904	(19)
(20) Medi-Cal Outpatient - E/R	104.395	1.491	105.886	1.818	107.704	1.883	109.587	(20)
(21) Medi-Cal CBRC	232.631	7.653	240.284	18.217	258.501	9.242	267.743	(21)
(22) Medi-Cal SB 1732	11.128	-	11.128	-	11.128	-	11.128	(22)
(23) Specialty Mental Health Services (SMHS)	197.882	-	197.882	-	197.882	-	197.882	(23)
(24) Managed Care Graduate Medical Education (GME)	180.660	-	180.660	-	180.660	-	180.660	(24)
(25) Hospital Provider Fee	28.324	(1.450)	26.874	2.159	29.033	-	29.033	(25)
(26) Medicare	377.747	0.531	378.278	-	378.278	-	378.278	(26)
(27) Hospital Insurance Collection	111.303	-	111.303	-	111.303	-	111.303	(27)
(28) Self-Pay	2.857	-	2.857	-	2.857	-	2.857	(28)
(29) In-Home Supportive Services (IHSS)	94.075	25.112	119.187	27.079	146.266	-	146.266	(29)
(30) Federal & State - Other	156.997	2.339	159.336	-	159.336	-	159.336	(30)
(31) Measure H	1.918	1.102	3.020	-	3.020	-	3.020	(31)
(32) Other County Department (OCD)	526.897	(2.817)	524.080	-	524.080	-	524.080	(32)
(33) American Rescue Plan Act (ARPA) Revenue	1.861	0.035	1.896	(1.896)	-	-	-	(33)
(34) Other	112.517	12.600	125.117	-	125.117	-	125.117	(34)
(35) Total Revenues	\$ 6,628.657	\$ 50.042	\$ 6,678.699	\$ 253.008	\$ 6,931.707	\$ 113.437	\$ 7,045.144	(35)
(36) Net Cost - Before PY	\$ 2,365.130	\$ (194.296)	\$ 2,170.834	\$ 150.136	\$ 2,320.970	\$ 230.872	\$ 2,551.842	(36)
(37) AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38) Prior-Year Surplus / (Deficit)	836.850	(836.850)	-	-	-	-	-	(38)
(39) Net Cost - After PY & AB 85 Redirection	\$ 1,528.280	\$ 642.554	\$ 2,170.834	\$ 150.136	\$ 2,320.970	\$ 230.872	\$ 2,551.842	(39)
(40) Operating Subsidies								(40)
(41) Sales Tax & VLF	425.313	-	425.313	-	425.313	-	425.313	(41)
(42) County Contribution	825.508	47.409	872.917	29.943	902.860	26.431	929.291	(42)
(43) Tobacco Settlement	52.159	-	52.159	-	52.159	-	52.159	(43)
(44) Measure B	246.410	-	246.410	-	246.410	-	246.410	(44)
(45) Total Operating Subsidies	\$ 1,549.390	\$ 47.409	\$ 1,596.799	\$ 29.943	\$ 1,626.742	\$ 26.431	\$ 1,653.173	(45)
(46) Surplus / (Deficit) = (45) - (39)	\$ 21.110	\$ (595.145)	\$ (574.035)	\$ (120.193)	\$ (694.228)	\$ (204.441)	\$ (898.669)	(46)
(47) Replacement Funding Needed	-	-	-	-	-	-	-	(47)
(48) Adjusted Surplus / (Deficit)	\$ 21.110	\$ (595.145)	\$ (574.035)	\$ (120.193)	\$ (694.228)	\$ (204.441)	\$ (898.669)	(48)
(49) Beginning Fund Balance	\$ 1,791.644	\$ (128.741)	\$ 1,662.903	\$ (497.458)	\$ 1,165.445	\$ (21.414)	\$ 1,144.031	(49)
(50) Surplus / (Deficit)	21.110	(595.145)	(574.035)	(120.193)	(694.228)	(204.441)	(898.669)	(50)
(51) Long Term Receivables	(149.851)	226.428	76.577	596.237	672.814	(682.589)	(9.775)	(51)
(52) Ending Fund Balance	1,662.903	(497.458)	1,165.445	(21.414)	1,144.031	(908.444)	235.587	(52)
(53) Restricted - Provider Relief Fund	(325.274)	325.274	-	-	-	-	-	(53)
(54) Available Fund Balance	\$ 1,337.629	\$ (172.184)	\$ 1,165.445	\$ (21.414)	\$ 1,144.031	\$ (908.444)	\$ 235.587	(54)

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FORECAST
FISCAL YEARS 2023-24 THROUGH 2026-27
(\$ IN MILLIONS)

ATTACHMENT I-B

B

Community Programs

	Year 1		Year 2		Year 3		Year 4	
	A	B	C	D	E	F	G	
	FY 2023-24 Forecast	Adjustments	FY 2024-25 Forecast	Adjustments	FY 2025-26 Forecast	Adjustments	FY 2026-27 Forecast	
(1) Expenses								(1)
(2) Salaries & Employee Benefits	\$ 51.653	\$ 19.209	\$ 70.862	\$ 2.734	\$ 73.596	\$ 2.865	\$ 76.461	(2)
(3) Net Services & Supplies	725.367	198.103	923.470	5.655	929.125	(17.042)	912.083	(3)
(4) Debt Service - Harbor Master Plan	-	-	-	-	-	-	-	(4)
(5) Debt Service - Other	2.382	-	2.382	-	2.382	-	2.382	(5)
(6) Other Charges	37.079	29.667	66.746	(39.818)	26.928	(15.404)	11.524	(6)
(7) Capital Assets	0.832	(0.664)	0.168	(0.168)	-	-	-	(7)
(8) Capital Projects & Deferred Maintenance	-	-	-	-	-	-	-	(8)
(9) Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10) Intrafund Transfer	(232.401)	(36.087)	(268.488)	27.166	(241.322)	8.936	(232.386)	(10)
(11) Total Expenses	\$ 584.912	\$ 210.228	\$ 795.140	\$ (4.431)	\$ 790.709	\$ (20.645)	\$ 770.064	(11)
(12) Revenues								(12)
(13) Managed Care	0.657	(0.063)	0.594	(0.003)	0.591	(0.012)	0.579	(13)
(14) Enhanced Payment Program (EPP)	0.428	0.091	0.519	0.068	0.587	0.027	0.614	(14)
(15) Quality Incentive Program (QIP)	-	-	-	-	-	-	-	(15)
(16) Cali. Advancing & Innovating Medi-Cal (CalAIM)	58.791	(6.485)	52.306	(26.684)	25.622	(12.767)	12.855	(16)
(17) Providing Access & Transforming Health (PATH)	-	-	-	-	-	-	-	(17)
(18) Global Payment Program (GPP)	-	-	-	-	-	-	-	(18)
(19) Medi-Cal Inpatient	-	-	-	-	-	-	-	(19)
(20) Medi-Cal Outpatient - E/R	-	-	-	-	-	-	-	(20)
(21) Medi-Cal CBRC	-	-	-	-	-	-	-	(21)
(22) Medi-Cal SB 1732	-	-	-	-	-	-	-	(22)
(23) Specialty Mental Health Services (SMHS)	-	-	-	-	-	-	-	(23)
(24) Managed Care Graduate Medical Education (GME)	-	-	-	-	-	-	-	(24)
(25) Hospital Provider Fee	-	-	-	-	-	-	-	(25)
(26) Medicare	-	-	-	-	-	-	-	(26)
(27) Hospital Insurance Collection	-	-	-	-	-	-	-	(27)
(28) Self-Pay	-	-	-	-	-	-	-	(28)
(29) In-Home Supportive Services (IHSS)	0.001	-	0.001	-	0.001	-	0.001	(29)
(30) Federal & State - Other	214.355	88.266	302.621	(21.042)	281.579	(4.600)	276.979	(30)
(31) Measure H	175.295	69.472	244.767	23.847	268.614	(0.806)	267.808	(31)
(32) Other County Department (OCD)	-	-	-	-	-	-	-	(32)
(33) American Rescue Plan Act (ARPA) Revenue	-	-	-	-	-	-	-	(33)
(34) Other	18.050	8.320	26.370	(1.494)	24.876	(1.700)	23.176	(34)
(35) Total Revenues	\$ 467.577	\$ 159.601	\$ 627.178	\$ (25.308)	\$ 601.870	\$ (19.858)	\$ 582.012	(35)
(36) Net Cost - Before PY	\$ 117.335	\$ 50.627	\$ 167.962	\$ 20.877	\$ 188.839	\$ (0.787)	\$ 188.052	(36)
(37) AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38) Prior-Year Surplus / (Deficit)	-	-	-	-	-	-	-	(38)
(39) Net Cost - After PY & AB 85 Redirection	\$ 117.335	\$ 50.627	\$ 167.962	\$ 20.877	\$ 188.839	\$ (0.787)	\$ 188.052	(39)
(40) Operating Subsidies								(40)
(41) Sales Tax & VLF	7.667	-	7.667	-	7.667	-	7.667	(41)
(42) County Contribution	106.868	36.231	143.099	(5.598)	137.501	(56.503)	80.998	(42)
(43) Tobacco Settlement	2.800	-	2.800	-	2.800	-	2.800	(43)
(44) Measure B	-	-	-	-	-	-	-	(44)
(45) Total Operating Subsidies	\$ 117.335	\$ 36.231	\$ 153.566	\$ (5.598)	\$ 147.968	\$ (56.503)	\$ 91.465	(45)
(46) Surplus / (Deficit) = (45) - (39)	\$ -	\$ (14.396)	\$ (14.396)	\$ (26.475)	\$ (40.871)	\$ (55.716)	\$ (96.587)	(46)
(47) Replacement Funding Needed	-	14.396	14.396	26.475	40.871	55.716	96.587	(47)
(48) Adjusted Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(48)

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FORECAST
FISCAL YEARS 2023-24 THROUGH 2026-27
(\$ IN MILLIONS)

ATTACHMENT I-C

C

Correctional Health Services

	Year 1		Year 2		Year 3		Year 4	
	A	B	C	D	E	F	G	
	FY 2023-24 Forecast	Adjustments	FY 2024-25 Forecast	Adjustments	FY 2025-26 Forecast	Adjustments	FY 2026-27 Forecast	
(1) Expenses								(1)
(2) Salaries & Employee Benefits	\$ 358.003	\$ 31.958	\$ 389.961	\$ 20.045	\$ 410.006	\$ 16.588	\$ 426.594	(2)
(3) Net Services & Supplies	131.583	9.931	141.514	2.826	144.340	4.914	149.254	(3)
(4) Debt Service - Harbor Master Plan	-	-	-	-	-	-	-	(4)
(5) Debt Service - Other	-	-	-	-	-	-	-	(5)
(6) Other Charges	4.382	-	4.382	-	4.382	-	4.382	(6)
(7) Capital Assets	4.600	-	4.600	-	4.600	-	4.600	(7)
(8) Capital Projects & Deferred Maintenance	-	-	-	-	-	-	-	(8)
(9) Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10) Intrafund Transfer	(3.337)	0.145	(3.192)	-	(3.192)	-	(3.192)	(10)
(11) Total Expenses	\$ 495.231	\$ 42.034	\$ 537.265	\$ 22.871	\$ 560.136	\$ 21.502	\$ 581.638	(11)
(12) Revenues								(12)
(13) Managed Care	-	-	-	-	-	-	-	(13)
(14) Enhanced Payment Program (EPP)	-	-	-	-	-	-	-	(14)
(15) Quality Incentive Program (QIP)	-	-	-	-	-	-	-	(15)
(16) Cali. Advancing & Innovating Medi-Cal (CalAIM)	-	-	-	-	-	-	-	(16)
(17) Providing Access & Transforming Health (PATH)	-	-	-	-	-	-	-	(17)
(18) Global Payment Program (GPP)	-	-	-	-	-	-	-	(18)
(19) Medi-Cal Inpatient	-	-	-	-	-	-	-	(19)
(20) Medi-Cal Outpatient - E/R	-	-	-	-	-	-	-	(20)
(21) Medi-Cal CBRC	-	-	-	-	-	-	-	(21)
(22) Medi-Cal SB 1732	-	-	-	-	-	-	-	(22)
(23) Specialty Mental Health Services (SMHS)	-	-	-	-	-	-	-	(23)
(24) Managed Care Graduate Medical Education (GME)	-	-	-	-	-	-	-	(24)
(25) Hospital Provider Fee	-	-	-	-	-	-	-	(25)
(26) Medicare	-	-	-	-	-	-	-	(26)
(27) Hospital Insurance Collection	-	-	-	-	-	-	-	(27)
(28) Self-Pay	-	-	-	-	-	-	-	(28)
(29) In-Home Supportive Services (IHSS)	-	-	-	-	-	-	-	(29)
(30) Federal & State - Other	29.995	-	29.995	-	29.995	-	29.995	(30)
(31) Measure H	1.918	-	1.918	-	1.918	-	1.918	(31)
(32) Other County Department (OCD)	-	-	-	-	-	-	-	(32)
(33) American Rescue Plan Act (ARPA) Revenue	1.861	0.035	1.896	(1.896)	-	-	-	(33)
(34) Other	0.103	-	0.103	-	0.103	-	0.103	(34)
(35) Total Revenues	\$ 33.877	\$ 0.035	\$ 33.912	\$ (1.896)	\$ 32.016	\$ -	\$ 32.016	(35)
(36) Net Cost - Before PY	\$ 461.354	\$ 41.999	\$ 503.353	\$ 24.767	\$ 528.120	\$ 21.502	\$ 549.622	(36)
(37) AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38) Prior-Year Surplus / (Deficit)	1.341	(1.341)	-	-	-	-	-	(38)
(39) Net Cost - After PY & AB 85 Redirection	\$ 460.013	\$ 43.340	\$ 503.353	\$ 24.767	\$ 528.120	\$ 21.502	\$ 549.622	(39)
(40) Operating Subsidies								(40)
(41) Sales Tax & VLF	-	-	-	-	-	-	-	(41)
(42) County Contribution	460.013	43.340	503.353	24.767	528.120	21.502	549.622	(42)
(43) Tobacco Settlement	-	-	-	-	-	-	-	(43)
(44) Measure B	-	-	-	-	-	-	-	(44)
(45) Total Operating Subsidies	\$ 460.013	\$ 43.340	\$ 503.353	\$ 24.767	\$ 528.120	\$ 21.502	\$ 549.622	(45)
(46) Surplus / (Deficit) = (45) - (39)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(46)
(47) Replacement Funding Needed	-	-	-	-	-	-	-	(47)
(48) Adjusted Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(48)

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FORECAST
FISCAL YEARS 2023-24 THROUGH 2026-27
(\$ IN MILLIONS)

ATTACHMENT I-D

D = A + B + C

DHS Total

	Year 1		Year 2		Year 3		Year 4	
	A	B	C	D	E	F	G	
	FY 2023-24 Forecast	Adjustments	FY 2024-25 Forecast	Adjustments	FY 2025-26 Forecast	Adjustments	FY 2026-27 Forecast	
(1) Expenses								(1)
(2) Salaries & Employee Benefits	\$ 4,044.644	\$ 408.399	4,453.043	\$ 228.436	\$ 4,681.479	\$ 190.297	\$ 4,871.776	(2)
(3) Net Services & Supplies	3,582.066	219.589	3,801.655	109.393	3,911.048	88.492	3,999.540	(3)
(4) Debt Service - Harbor Master Plan	202.711	(160.314)	42.397	23.353	65.750	25.822	91.572	(4)
(5) Debt Service - Other	81.371	(16.675)	64.696	(0.049)	64.647	0.711	65.358	(5)
(6) Other Charges	1,803.286	(253.210)	1,550.076	8.149	1,558.225	9.904	1,568.129	(6)
(7) Capital Assets	60.023	(9.591)	50.432	(0.168)	50.264	-	50.264	(7)
(8) Capital Projects & Deferred Maintenance	56.941	32.725	89.666	1.171	90.837	(1.811)	89.026	(8)
(9) Operating Transfers Out	100.064	(68.506)	31.558	1.262	32.820	1.313	34.133	(9)
(10) Intrafund Transfer	(352.407)	(86.443)	(438.850)	27.166	(411.684)	8.936	(402.748)	(10)
(11) Total Expenses	\$ 9,578.699	\$ 65.974	\$ 9,644.673	\$ 398.713	\$ 10,043.386	\$ 323.664	\$ 10,367.050	(11)
(12) Revenues								(12)
(13) Managed Care	1,226.397	(165.074)	1,061.323	(10.315)	1,051.008	(16.896)	1,034.112	(13)
(14) Enhanced Payment Program (EPP)	954.253	231.541	1,185.794	155.558	1,341.352	61.470	1,402.822	(14)
(15) Quality Incentive Program (QIP)	413.281	0.052	413.333	19.113	432.446	19.820	452.266	(15)
(16) Cali. Advancing & Innovating Medi-Cal (CalAIM)	66.364	(8.109)	58.255	(26.684)	31.571	(15.740)	15.831	(16)
(17) Providing Access & Transforming Health (PATH)	14.443	(12.537)	1.906	(1.906)	-	-	-	(17)
(18) Global Payment Program (GPP)	1,399.831	(62.705)	1,337.126	26.392	1,363.518	23.449	1,386.967	(18)
(19) Medi-Cal Inpatient	472.772	13.821	486.593	16.854	503.447	17.457	520.904	(19)
(20) Medi-Cal Outpatient - E/R	104.395	1.491	105.886	1.818	107.704	1.883	109.587	(20)
(21) Medi-Cal CBRC	232.631	7.653	240.284	18.217	258.501	9.242	267.743	(21)
(22) Medi-Cal SB 1732	11.128	-	11.128	-	11.128	-	11.128	(22)
(23) Specialty Mental Health Services (SMHS)	197.882	-	197.882	-	197.882	-	197.882	(23)
(24) Managed Care Graduate Medical Education (GME)	180.660	-	180.660	-	180.660	-	180.660	(24)
(25) Hospital Provider Fee	28.324	(1.450)	26.874	2.159	29.033	-	29.033	(25)
(26) Medicare	377.747	0.531	378.278	-	378.278	-	378.278	(26)
(27) Hospital Insurance Collection	111.303	-	111.303	-	111.303	-	111.303	(27)
(28) Self-Pay	2.857	-	2.857	-	2.857	-	2.857	(28)
(29) In-Home Supportive Services (IHSS)	94.076	25.112	119.188	27.079	146.267	-	146.267	(29)
(30) Federal & State - Other	371.352	90.605	461.957	(21.042)	440.915	(4.600)	436.315	(30)
(31) Measure H	177.213	70.574	247.787	23.847	271.634	(0.806)	270.828	(31)
(32) Other County Department (OCD)	526.897	(2.817)	524.080	-	524.080	-	524.080	(32)
(33) American Rescue Plan Act (ARPA) Revenue	1.861	0.035	1.896	(1.896)	-	-	-	(33)
(34) Other	130.567	20.920	151.487	(1.494)	149.993	(1.700)	148.293	(34)
(35) Total Revenues	\$ 7,096.234	\$ 209.643	\$ 7,305.877	\$ 227.700	\$ 7,533.577	\$ 93.579	\$ 7,627.156	(35)
(36) Net Cost - Before PY	\$ 2,482.465	\$ (143.669)	\$ 2,338.796	\$ 171.013	\$ 2,509.809	\$ 230.085	\$ 2,739.894	(36)
(37) AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38) Prior-Year Surplus / (Deficit)	836.850	(836.850)	-	-	-	-	-	(38)
(39) Net Cost - After PY & AB 85 Redirection	\$ 1,645.615	\$ 693.181	\$ 2,338.796	\$ 171.013	\$ 2,509.809	\$ 230.085	\$ 2,739.894	(39)
(40) Operating Subsidies								(40)
(41) Sales Tax & VLF	432.980	-	432.980	-	432.980	-	432.980	(41)
(42) County Contribution	932.376	83.640	1,016.016	24.345	1,040.361	(30.072)	1,010.289	(42)
(43) Tobacco Settlement	54.959	-	54.959	-	54.959	-	54.959	(43)
(44) Measure B	246.410	-	246.410	-	246.410	-	246.410	(44)
(45) Total Operating Subsidies	\$ 1,666.725	\$ 83.640	\$ 1,750.365	\$ 24.345	\$ 1,774.710	\$ (30.072)	\$ 1,744.638	(45)
(46) Surplus / (Deficit) = (45) - (39)	\$ 21.110	\$ (609.541)	\$ (588.431)	\$ (146.668)	\$ (735.099)	\$ (260.157)	\$ (995.256)	(46)
(47) Replacement Funding Needed	-	14.396	14.396	26.475	40.871	55.716	96.587	(47)
(48) Adjusted Surplus / (Deficit)	\$ 21.110	\$ (595.145)	\$ (574.035)	\$ (120.193)	\$ (694.228)	\$ (204.441)	\$ (898.669)	(48)
(49) Beginning Fund Balance	\$ 1,791.644	\$ (128.741)	\$ 1,662.903	\$ (497.458)	\$ 1,165.445	\$ (21.414)	\$ 1,144.031	(49)
(50) Surplus / (Deficit)	21.110	(595.145)	(574.035)	(120.193)	(694.228)	(204.441)	(898.669)	(50)
(51) Long Term Receivables	(149.851)	226.428	76.577	596.237	672.814	(682.589)	(9.775)	(51)
(52) Ending Fund Balance	1,662.903	(497.458)	1,165.445	(21.414)	1,144.031	(908.444)	235.587	(52)
(53) Restricted - Provider Relief Fund	(325.274)	325.274	-	-	-	-	-	(53)
(54) Available Fund Balance	\$ 1,337.629	\$ (172.184)	\$ 1,165.445	\$ (21.414)	\$ 1,144.031	\$ (908.444)	\$ 235.587	(54)

Changes from the 2024-25 Recommended Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
HEALTH SERVICES					
2024-25 Recommended Budget	10,548,337,000	396,320,000	8,905,209,000	1,246,808,000	27,197.0
1. L.A. General Medical Center – Medical School Affiliation Agreement (MSAA) Adjustments: Primarily reflects a reduction in the physician services provided to L.A. General under the MSAA with the University of Southern California (USC), which will be replaced by the net addition of 211.0 positions and other appropriation.	19,648,000	--	381,000	19,267,000	211.0
2. Integrated Correctional Health Services: Reflects an increase in contracted cleaning services for clinical areas of the jails and the addition of 5.0 positions to expedite the transfer of individuals from County jails to the State hospitals, which will support meeting the terms of a Department of Justice (DOJ) consent decree.	3,815,000	--	--	3,815,000	5.0
3. Office of Diversion and Re-Entry (ODR) Housing Expansion: Reflects the addition of 1.0 position and an increase primarily in contracted services, fully funded by additional Mental Health Services Act (MHSA) funding from the Department to Mental Health (DMH), to support an additional 70 beds as well as full implementation of 360 DMH-funded beds added last fiscal year, which will expand the ODR Housing program to 3,450 beds.	11,952,000	11,952,000	--	--	1.0
4. Housing for Health Contract Staff Conversion: Reflects an increase of 50.0 positions, fully offset by a reduction in registry expenses, to reduce dependency on contracted staff for various Housing for Health programs, including the new Interim Housing Outreach Program (IHOP).	--	--	--	--	50.0
5. Martin Luther King, Jr. Outpatient Center Transition to Ambulatory Care Network: Reflects the transition of Martin Luther King, Jr. Outpatient Center from the Harbor Care South budget unit to the Ambulatory Care Network. This is primarily an administrative change to consolidate DHS clinics within the Ambulatory Care Network.	--	4,446,000	(4,446,000)	--	--
6. Capital Projects: Reflects a net increase due to the establishment of several new capital projects, primarily the elevator modernization and transfer switch projects at Olive-View UCLA Medical Center.	24,585,000	--	--	24,585,000	--
7. Other Program Changes: Reflects a net increase of 18.0 positions to support harm reduction, medical credentialing, primary care medical homes, IT services, and various other areas.	2,294,000	--	688,000	1,606,000	18.0
8. Other Position Changes: Reflects a net increase of 3.0 positions to reduce the use of contracted dialysis services and to support various other areas.	(45,000)	--	(8,000)	(37,000)	3.0

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
9. Ministerial Changes: This adjustment is comprised of increases in Board-approved contracts, utilities, and charges from other County departments, as well as reductions to State and federal grants.	3,546,000	27,511,000	(29,850,000)	5,885,000	--
10. Fund Balance and Operating Subsidies: Reflects the use of prior-year fund balance and adjustments to the operating subsidy allocations to the hospital enterprise funds.	(110,673,000)	--	(59,367,000)	(51,306,000)	--
Total Changes	(44,878,000)	43,909,000	(92,602,000)	3,815,000	288.0
2024-25 Final Changes	10,503,459,000	440,229,000	8,812,607,000	1,250,623,000	27,485.0

Changes From 2024-25 Recommended Budget

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
MENTAL HEALTH					
2024-25 Recommended Budget	3,993,656,000	153,349,000	3,780,139,000	60,168,000	7,352.0
1. Mental Health Services Act (MHSA) – Previously Adopted: Reflects funding for various MHSA spending plans adopted by the Board, including: a) \$6.3 million for hotel / motel rooms to provide interim housing for clients reached through the Homeless Outreach Mobile Engagement (HOME) teams and the Women's Reentry program, adopted by the Board on May 21, 2024; b) \$6.0 million for the Workforce Education & Training financial incentive program to improve recruitment and retention of psychiatrists, adopted by the Board on April 9, 2024; and c) \$0.4 million to build increased capacity for reaching underserved cultural communities and promoting participation in mental health and wellness programs, adopted by the Board on May 21, 2024.	12,720,000	--	12,720,000	--	--
2. MHSA – General Program Expansions: Reflects funding for new or expanded MHSA programs, including: a) \$26.1 million for the Children's Community Care Village, an MHSA Innovations project in partnership with Kedren Health, to build and operate 24 contract-provided child/family mental health care housing units, 16 crisis residential treatment beds, 8-12 urgent care center chairs, a full spectrum of outpatient services, and mental health care coordination focused on children and their families in South Los Angeles; b) \$16.5 million for community mental health services throughout the County, specifically community family resource centers and third party-administered partnerships with community-based organizations; c) \$4.3 million for a variety of planning and information tools, resources, and training to assist DMH leadership, clinicians, and clients; and d) \$2.3 million for various awareness and outreach programs to promote participation in mental health and well-being activities, including stakeholder capacity building, adult and youth media campaigns, and cultural conferences.	49,159,000	--	49,159,000	--	--
3. MHSA – Partnerships with Other County Departments: Reflects services in partnership with other County departments for mental health treatment and prevention, including: a) \$12.0 million to fund expansion of intensive case management, interim housing, enriched residential care, and permanent supportive housing services provided by the Office of Diversion and Reentry; and b) \$5.0 million to fund mental health wellbeing projects in parks across the County in partnership with the Department of Parks and Recreation.	16,952,000	--	16,952,000	--	--

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
MENTAL HEALTH					
4. Position Adjustments: Reflects adjustments to improve the Department's operational effectiveness and support, including: a) \$2.7 million and 11.0 positions for improving clients' health access and care integration, adopted by the Board on 12/19/23; b) \$4.2 million and 25.0 primarily clinical support positions such as medical case workers and community health workers for various programs serving patients or coordinating care at mental health clinics and in the field; c) \$2.1 million and 12.0 positions to assist in administration of department operations such as quality assurance and developing documentation necessary for connecting patients to supportive services; and d) \$0.5 million and a net zero position change to more closely align classifications with assigned duties.	9,514,000	--	7,816,000	1,698,000	48.0
5. Operating Costs: Reflects miscellaneous adjustments to align the budget for services with other County departments and adjustments to revenues and expenditures to more closely reflect anticipated funding and expenditure levels, and to balance the Department's budget with available resources.	12,606,000	150,000	14,154,000	(1,698,000)	--
Total Changes	100,951,000	150,000	100,801,000	--	48.0
2024-25 Final Changes Budget	4,094,607,000	153,499,000	3,880,940,000	60,168,000	7,400.0

Changes from the 2024-25 Recommended Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
PUBLIC HEALTH					
2024-25 Recommended Budget	1,594,600,000	104,367,000	1,237,455,000	252,778,000	5,648.0
1. Environmental Health: Reflects a net addition of 30.0 positions to meet various programmatic and operational needs as follows: a) \$2.0 million in funding fully offset with revenue for 15.0 positions to administer the newly adopted ordinance for rental housing habitability; b) \$1.6 million in funding for 10.0 positions fully offset with a deletion of 1.0 position and revenue to meet operational needs in the areas of administration, community support and protection, and radiation safety; and c) \$0.9 million in funding fully offset with revenue for 6.0 positions to administer newly adopted ordinances for compact mobile food and micro-enterprise home kitchen operations.	4,525,000	--	4,525,000	--	30.0
2. Interim Housing Outreach Program (IHOP): Reflects \$9.0 million in funding from the Department of Mental Health through intrafund transfers for SAPC to provide substance abuse prevention and treatment services at interim housing sites.	8,977,000	8,977,000	--	--	--
3. Gender-Based Violence (GBV): Reflects an addition of 2.0 positions fully offset by a realignment of appropriation for the initial implementation of the GBV program including coordination of services as well as workplan development.	--	--	--	--	2.0
4. SAPC: Reflects a net reduction of \$0.2 million in funding to realign the program's budget and meet programmatic and operational needs as follows: a) \$1.9 million in funding for 10.0 positions fully offset with revenue to meet various operational needs; b) \$1.4 million in funding fully offset with revenue for Board-approved reclassifications; c) a net zero change in funding for 11.0 positions fully offset with a realignment in appropriation to enhance the Student Well-Being Centers; d) a reduction of \$2.0 million in funding and deletion of 35.0 obsolete positions, fully offset with a reduction in revenue; and e) a reduction of \$1.5 million in S&S appropriation and the deletion of 61.0 vacant positions, fully offset with a reduction in revenue to reflect the closure of the Antelope Valley Rehabilitation Center.	(243,000)	--	(243,000)	--	(75.0)

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
5. Grant Funding: Reflects a net increase of \$1.9 million in funding consisting of adjustments and a net zero change in budgeted positions to meet various programmatic and operational needs as follows: a) \$1.4 million in funding fully offset with revenue to enhance services addressing the rise in sexually-transmitted disease cases; b) \$0.7 million in net funding for 4.0 positions and a reclassification of 1.0 position fully offset with a realignment of appropriation and revenue for children services with the California Children's Service (CCS) Maternal, Child & Adolescent Health (MCAH) programs; c) a net decrease of \$0.2 million in funding related to the deletion of 1.0 position and reduced revenue for the acute communicable diseases and oral health programs; and d) a net zero change in funding for 3.0 positions fully offset with a deletion of 6.0 positions and a realignment of appropriation for nursing administration and the public health laboratory.	1,887,000	--	1,887,000	--	--
6. Ministerial Changes: Reflects various adjustments on a ministerial level to properly align the Department's operating budget in meeting departmental needs primarily consisting of: a) \$1.5 million in COLA-related adjustments fully offset with a deletion of 6.0 positions, a realignment of appropriation, and increased State revenue; b) \$0.6 million in transferred funding from the Board of Supervisors for the Help Me Grow LA program to extend prevention services to youth with special health care needs; and c) various realignments of appropriation for a net zero cost to fund 2.0 positions in development and training, and facility management, as well as adjustments to costs related to other County departments.	2,146,000	--	1,546,000	600,000	(4.0)
Total Changes	17,292,000	8,977,000	7,715,000	600,000	(47.0)
2024-25 Final Changes	1,611,892,000	113,344,000	1,245,170,000	253,378,000	5,601.0