



Board of Supervisors Health and Mental Health Cluster Agenda Review Meeting

DATE: September 10, 2025

TIME: 9:00 a.m. – 11:30 a.m.

MEETING CHAIR: Tyler Cash, 5th Supervisorial District

CEO MEETING FACILITATOR: Jack Arutyunyan

THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055

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: 880 681 649# 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 Items:**

a. **CEO:** Fiscal Year 2025-26 Supplemental Changes Budget
Mental Health
Health Services
Public Health

b. **DHS:** Fiscal Year 2024-25 Year End Appropriation Adjustments

III. **Discussion Items:**

- a. **DHS:** Fiscal Outlook September 2025 Update
 - b. **DHS/DPH/DMH/DHR/CEO:** Investing in Strengthening the County Health Care Workforce (Presenters: Elizabeth Jacobi; Marilyn Hawkins; Napoleon Valera; Johan Julin; Stanley S. Yen; Johanna Prieto)
 - c. **LASD:** HALT: Strengthening Public Confidence in Healthcare by Detecting, Preventing and Prosecuting Healthcare Crimes (Presenter: Sgt. Mike Vann)
- 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

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE HEALTH AND MENTAL HEALTH SERVICES CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

HEALTH_AND_MENTAL_HEALTH_SERVICES@CEO.LACOUNTY.GOV

Changes from the 2025-26 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
MENTAL HEALTH					
2025-26 Adopted Budget	4,187,977,000	152,967,000	3,962,225,000	72,785,000	7,670.0
1. Capital Project – Children’s Community Care Village: Reflects the addition of one-time Mental Health Services Act (MHSA) funding to support the development of a one-stop multi-service campus for children and youth, which was approved by the Board on May 13, 2025 and is expected to include a 16 bed crisis residential treatment program, a 12 chair urgent care clinic, and 24 units of on-site housing. (4-VOTES)	79,769,000	--	79,769,000	--	--
2. DHS Specialty Mental Health Services: Reflects the addition of \$136.2 million to right-size the department’s budget for mental health services provided by DHS hospitals based on the current memorandum of agreement between the departments and projected service levels. (4-VOTES)	136,160,000	--	136,160,000	--	--
3. Program and Administrative Support: Reflects the addition of 22.0 positions for various administrative and program functions to address current operational needs, which primarily includes additional support for human resources and finance. (4-VOTES)	4,285,000	--	4,285,000	--	22.0
4. Operating Costs: Reflects various adjustments to more closely reflect anticipated funding and expenditure levels, which primarily includes the carryover of one-time funding and the deletion of 22.0 long-term vacancies in support of departmental position control cleanup efforts. (4-VOTES)	4,050,000	(1,483,000)	4,781,000	752,000	(22.0)
Total Changes	224,264,000	(1,483,000)	224,995,000	752,000	0.0
2025-26 Supplemental Changes	4,412,241,000	151,484,000	4,187,220,000	73,537,000	7,670.0

Changes from the 2025-26 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
HEALTH SERVICES					
2025-26 Adopted Budget	10,992,148,000	361,806,000	9,350,563,000	1,279,779,000	27,653.0
1. Curtailments: Reflects the reduction in salaries and employee benefits, including the deletion of 5.0 vacant, budgeted positions and \$0.4 million in overtime funding. (3-VOTES)	(662,000)	--	--	(662,000)	(5.0)
2. Integrated Correctional Health Services (ICHS) Programs: Reflects \$28.0 million in additional funding to support various ICHS operations: a) \$18.7 million in one-time funding to address deficits in pharmacy, registry, post-book claims, administrative services, and technical services; b) \$8.2 million in Opioid Settlement funds to support the ICHS Medication Assisted Treatment program; and c) \$1.1 million in additional one-time Assembly Bill (AB) 109 funding. Also reflects the carryover of \$9.5 million in unspent prior-year AB 109 funding for ICHS. (4-VOTES)	37,462,000	--	18,791,000	18,671,000	--
3. Office of Diversion and Re-Entry (ODR) Programs: Reflects \$3.5 million in additional funding to support ODR programs: a) 1.0 position to support ODR operations fully offset by existing revenue, b) \$1.9 million in one-time funding for the Let Everyone Advance with Dignity (LEAD) motel voucher program, and c) \$1.6 million in one-time AB 109 funding for various ODR programs. Also reflects the carryover of \$13.2 million in unspent prior-year funding for ODR. (4-VOTES)	16,756,000	--	14,842,000	1,914,000	1.0
4. Housing for Health (HFH) Programs: Reflects \$73.9 in additional funding to support various HFH programs: a) 5.0 new positions, funded by ongoing Measure A, to support housing programs, b) \$20.0 million in additional Measure A one-time funding to support capital improvement projects and other programs, and c) \$53.9 million in one-time funding for various programs. Also reflects the carryover of \$38.6 million in Measure H funding for the Pathway Home program, Skid Row Action Plan, and Every Woman Housed program. (4-VOTES)	112,484,000	39,185,000	75,528,000	(2,229,000)	5.0
5. One-Time Funding: Reflects the carryover of American Rescue Plan (ARP)-enabled funding that was budgeted in FY 2024-25 to support various Board-approved programs, Flexible Housing Subsidy Pool funding for the Backstop Program, and various other one-time funding. (4-VOTES)	116,749,000	--	3,036,000	113,713,000	--
6. Capital Projects: Reflects a net increase primarily due to scheduled increases associated with capital projects already in progress. (4-VOTES)	24,593,000	--	3,610,000	20,983,000	--

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
7. Other Position Changes: Reflects the addition of 3.0 dermatology residents at L.A. General Medical Center; 2.0 contracts staff, offset by the deletion of 2.0 vacant positions; and the transfer of the East San Gabriel Valley Hub to the Ambulatory Care Network budget unit, at no net cost. (4-VOTES)	291,000	816,000	(449,000)	(76,000)	3.0
8. Pharmaceutical Costs: Reflects an increase in costs based on anticipated utilization trends. (4-VOTES)	34,130,000	--	--	34,130,000	--
9. Security Services: Reflects an increase in contracted security services due to the implementation of Senate Bill 525. (4-VOTES)	14,577,000	66,000	--	14,511,000	--
10. Salaries and Employee Benefits: Reflects Board-approved increases in salaries and employee benefits. (4-VOTES)	8,630,000	--	34,000	8,596,000	--
11. Ministerial Changes: Reflects increases in charges to other County departments, Board-approved contracts, cyber security, and various other expenses. (4-VOTES)	47,955,000	46,222,000	2,449,000	(716,000)	--
12. Position Deletions: Reflects the deletion of 275.0 vacant budgeted positions. (3-VOTES)	(8,069,000)	--	--	(8,069,000)	(275.0)
13. Revenue Changes: Reflects a net increase in revenues, primarily related to the Quality Improvement Program, Enhanced Payment Program, and Measure B revenues. (4-VOTES)	240,570,000	229,000	637,955,000	(397,614,000)	--
14. Fund Balance and Operating Subsidies: Reflects adjustments to the use of prior-year fund balance and operating subsidy allocations to the hospital enterprise funds. (3-VOTES)	(344,369,000)	--	(670,809,000)	326,440,000	--
Total Changes	301,097,000	86,518,000	84,987,000	129,592,000	(271.0)
2025-26 Supplemental Changes	11,293,245,000	448,324,000	9,435,550,000	1,409,371,000	27,382.0

Changes from the 2025-26 Adopted Budget

	Gross Appropriation (\$)	Intrafund Transfers (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
PUBLIC HEALTH					
2025-26 Adopted Budget	1,854,837,000	99,875,000	1,502,647,000	252,315,000	5,636.0
1. Curtailments: Reflects a deletion of 75.0 vacant budgeted positions to meet the required net County cost reduction. (3-VOTES)	(8,971,000)	--	--	(8,971,000)	(75.0)
2. Supporting Los Angeles County's Public Health System: Reflects the transfer of \$5.0 million from Provisional Financing Uses (PFU) - Board Directed Initiatives as directed in a Board motion adopted on July 1, 2025, to preserve critical public health infrastructure and capacity. (4-VOTES)	5,000,000	--	--	5,000,000	--
3. Public Health Emergencies Reserve Fund: Reflects the use \$14.4 million of Tobacco-enabled funding to partially fund the establishment of an emergency reserve fund (obligated fund balance) as directed in a Board motion adopted on July 1, 2025. (4-VOTES)	--	--	--	--	--
4. Carryover of American Rescue Plan (ARP)-Enabled Funding: Reflects the carryover of one-time ARP-enabled funding to support sustained public health response. (4-VOTES)	5,000,000	--	--	5,000,000	--
5. Substance Abuse and Prevention Control (SAPC): Reflects various adjustments to address programmatic and operational needs as follows: a) \$4.5 million in State grant funding for substance use disorder services; b) \$2.2 million in one-time Assembly Bill (AB) 109 funding for recovery-oriented permanent housing; and c) reduction of \$0.7 million and 11.0 positions due to program realignment and operational restructuring. (4-VOTES)	6,033,000	--	6,033,000	--	(11.0)
6. Ministerial Changes: Reflects various adjustments to meet operational needs including: a) \$14.0 million for charges from other County departments; b) \$25.1 million for operational transfers, including Opioid Settlement and Measure B funding; c) \$2.0 million for carryover of unspent one-time funding to support sexually transmitted infection programming, silicosis prevention, and wildfire soil testing; d) a net decrease of \$1.3 million for other budgetary and operational realignments; e) the addition of 2.0 positions, fully offset by the deletion of 2.0 positions and a realignment of services and supplies appropriation, to support children's medical services; and f) \$0.1 million for enterprise systems maintenance and cyber security. (4-VOTES)	39,970,000	2,066,000	35,695,000	2,209,000	--
Total Changes	47,032,000	2,066,000	41,728,000	3,238,000	(86.0)
2025-26 Supplemental Changes	1,901,869,000	101,941,000	1,544,375,000	255,553,000	5,550.0

September 30, 2025

**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 Kathryn Barger, Chair
Supervisor Hilda L. Solis, Chair Pro Tem
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn

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

**SUBJECT: FISCAL YEAR 2024-25 YEAR-END APPROPRIATION
ADJUSTMENTS (ALL DISTRICTS) (4 VOTES)**

Christina R. Ghaly, M.D.
Director

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

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

Request approval of Fiscal Year (FY) 2024-25 year-end appropriation adjustments for the Department of Health Services (DHS).

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the FY 2024-25 year-end appropriation adjustments (Attachment I) for DHS to adjust its Enterprise Fund obligated fund balance to \$1,475.4 million as of June 30, 2025, including the release of \$325.3 million in restricted Provider Relief Fund (PRF) back to the available fund balance.
2. Approve the FY 2024-25 appropriation adjustments (Attachment II) to realign funding for the Measure B Special Revenue Fund.
3. Approve the FY 2024-25 appropriation adjustments (Attachment III) to adjust Long-Term Receivables (LTRs) for Cost Based Reimbursement Clinics (CBRC), Enhanced Payment Program (EPP), Quality Incentive Program (QIP), Managed Care Rate Supplement (MCRS), and Specialty Mental Health Services (SMHS) revenues at various DHS facilities.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

DHS is seeking the Board's approval of the recommended actions described in this letter, which will allow DHS to execute its FY 2024-25 year-end appropriation adjustments. The appropriation adjustments (Attachments I, II and III) will:

1. Establish an obligated fund balance of \$1,475.4 million in the DHS Enterprise Fund as of June 30, 2025, resulting from a FY 2024-25 operating deficit of \$149.7 million, as well as an increase in the DHS reserve funds of \$85.4 million for the CBRC, EPP, QIP, MCRS, and SMHS LTRs; align certain appropriations and revenues within DHS in accordance with its FY 2024-25 financial experience; and release the restricted PRF back to the available fund balance;
2. Align appropriations within the Measure B Special Revenue Fund in accordance with DHS' FY 2024-25 financial experience; and
3. Adjust the LTRs for the CBRC, EPP, QIP, MCRS and SMHS revenues that were accrued in FY 2024-25 for FYs 2020-21 through 2024-25, all of which are expected to be collected after June 30, 2026.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this action is consistent with the Strategic Plan North Star III.G – Realize Tomorrow's Government Today, Internal Controls and Processes.

FISCAL IMPACT/FINANCING

The recommended actions will adjust various departmental budget units to reflect DHS' FY 2024-25 financial experience and adjust DHS' Enterprise Fund obligated fund balance down to \$1,475.4 million from the prior year-end balance of \$1,710.5 million. DHS had an operating deficit of (\$149.7) million and DHS used \$149.7 million of fund balance to cover the deficit.

DHS also increased the amount of reserve funds set aside for the CBRC, EPP, QIP, MCRS, and SMHS LTRs from \$1,150.0 million to \$1,235.4 million for a total net change of \$85.4 million. The reserve funds are considered "non-spendable" and DHS will continue to work with the State and the CEO to monitor the timing of collections for these revenue streams to determine if and when these funds will be freed up and could move into the available fund balance.

Technical Accounting Change

For FY 2024-25, DHS is making a prior year technical change to its long-term payables and receivables related to Intergovernmental Governmental Transfer (IGT)-based programs. In prior years, DHS recognized IGT payments as short-term expenses while recording the expected revenues as LTRs. Going forward, DHS will record both the IGT payments and the associated revenues expected to be collected 12 months beyond year-end as long-term payables and receivables, respectively. This adjustment will decrease the amount of reserve funds needed for the LTRs with the corresponding change in long-term payables, and will not impact the overall fund balance of DHS.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since FY 2009-10, Los Angeles County set aside reserve funds to establish a CBRC LTR to offset accounts receivable owed by the State to DHS facilities. The LTR is adjusted each year during the year-end closing process and are made up of outstanding accounts receivable from the State for multiple fiscal years. In the FY 2024-25 year-end closing process, as part of recommendation number three above, there is a net increase of \$5.5 million for the CBRC LTR, increasing the balance from \$30.6 million to \$36.1 million.

Also, as noted in the DHS Fiscal Outlook, Department of Health Care Services (DHCS) has changed the time period for setting the annual Medi-Cal Managed Care rates from a fiscal-year basis to a calendar-year basis. This transition impacts when the net annual supplemental payments for the EPP, QIP, and MCRS revenues will actually be received by DHS. Payments previously made at the end of each fiscal year will now be made at the end of each calendar year instead, thus delaying payments to DHS by approximately six months. As a consequence, there is a need to establish LTRs for the EPP, QIP and MCRS. In the FY 2024-25 year-end closing process, as part of recommendation number three above, there is a net increase of \$61.4 million, increasing the balance from \$930.2 million to \$991.6 million.

DHS also established an LTR for SMHS starting the FY 2023-24 year-end closing process due to the collection timing. In the FY 2024-25 year-end closing process, as part of recommendation number three above, there is a net increase of \$18.5 million, increasing the balance from \$189.2 million to \$207.7 million.

Overall, the total amount of reserve funds within DHS' obligated fund balance for FY 2024-25 is adjusted from \$1,150.0 million to \$1,235.4 million, an increase of \$85.4 million, to fully fund the aforementioned LTRs (see Attachment IV).

In addition, DHS previously received multiple PRF allocations from the U.S. Department of Health and Human Services (HHS), which were placed into a restricted account due to a pending audit of DHS' compliance with the PRF requirements by the HHS' Office of Inspector General. The audit was conducted over a year ago and no compliance issues have been identified. As DHS does not expect unfavorable audit findings, in the FY 2024-25 year-end closing process, as part of recommendation number one above, the total restricted PRF funding of \$325.3 million is released back to the available fund balance.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These FY 2024-25 year-end appropriation adjustments have no impact on current services.

CRG:fl

Attachments

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

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DRAFT

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

September 29, 2025

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 HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2024-25
4 - VOTES

SOURCES

BA DETAIL - SEE ATTACHMENT PAGES I-B

USES

BA DETAIL - SEE ATTACHMENT PAGES I-B

SOURCES TOTAL: \$ 1,855,690,000 USES TOTAL: \$ 1,855,690,000

JUSTIFICATION

This budget adjustment is necessary to increase the Department of Health Services (DHS) Enterprise Fund Obligated Fund Balance to \$1,475.4 million, and to align certain appropriations and revenues within DHS with the Department's FY 2024-25 financial experience.

AUTHORIZED SIGNATURE Jean Lo, Chief, Controller's Division

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

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY _____	CHIEF EXECUTIVE OFFICER BY _____
B.A. NO. _____	20 _____	20 _____

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES		USES	
LA General Medical Center		LA General Medical Center	
MN4-HG-2000-60010		MN4-HG-1000-60010	
Services and Supplies		Salary & Employee Benefits	
Decrease Appropriation	48,420,000	Increase Appropriation	5,450,000
LA General Medical Center		LA General Medical Center	
MN4-HG-6030-60010		MN4-HG-5500-60010	
Capital Assets-Equipment		Other Charges	
Decrease Appropriation	10,369,000	Increase Appropriation	95,991,000
LA General Medical Center		LA General Medical Center	
MN4-HG-92-943P-60010		MN4-HG-96-9910-60010	
Medi-Cal Managed Care		Operating Transfers In - Measure B	
Increase Revenue	264,055,000	Decrease Revenue	13,098,000
		LA General Medical Center	
		MN4-HG-96-9911-60010	
		Operating Transfers In	
		Decrease Revenue	208,305,000
Subtotal LA General Medical Center	\$ 322,844,000	Subtotal LA General Medical Center	\$ 322,844,000
Harbor-UCLA Medical Center		Harbor-UCLA Medical Center	
MN1-HH-5500-60020		MN1-HH-96-9911-60020	
Other Charges		Operating Transfers In	
Decrease Appropriation	89,848,000	Decrease Revenue	110,111,000
Harbor-UCLA Medical Center			
MN1-HH-96-9910-60020			
Operating Transfers In - Measure B			
Increase Revenue	20,263,000		
Subtotal Harbor-UCLA Medical Center	\$ 110,111,000	Subtotal Harbor-UCLA Medical Center	\$ 110,111,000
Olive View-UCLA Medical Center		Olive View-UCLA Medical Center	
MN3-HO-96-9911-60050		MN3-HO-92-943F-60050	
Operating Transfers In		Coverage Initiative	
Increase Revenue	28,902,000	Decrease Revenue	31,256,000
Olive View-UCLA Medical Center			
MN3-HO-96-9910-60050			
Operating Transfers In - Measure B			
Increase Revenue	2,354,000		
Subtotal Olive View-UCLA Medical Center	\$ 31,256,000	Subtotal Olive View-UCLA Medical Center	\$ 31,256,000
Rancho Los Amigos National Rehabilitation Center		Rancho Los Amigos National Rehabilitation Center	
MN7-HR-1000-60040		MN7-HR-96-9911-60040	
Salary & Employee Benefits		Operating Transfers In	
Decrease Appropriation	2,494,000	Decrease Revenue	77,062,000
Rancho Los Amigos National Rehabilitation Center		Rancho Los Amigos National Rehabilitation Center	
MN7-HR-2000-60040		MN7-HR-6100-60040	
Services and Supplies		Other Financing Uses	
Decrease Appropriation	9,297,000	Increase Appropriation	128,319,000
Rancho Los Amigos National Rehabilitation Center			
MN7-HR-5500-60040			
Other Charges			
Decrease Appropriation	54,322,000		

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES			USES	
Rancho Los Amigos National Rehabilitation Center				
MN7-HR-6030-60040				
Capital Assets-Equipment				
Decrease Appropriation	1,015,000			
Rancho Los Amigos National Rehabilitation Center				
MN7-HR-92-943P-60040				
Medi-Cal Managed Care				
Increase Revenue	138,253,000			
Subtotal Rancho Los Amigos NRC	\$ 205,381,000	Subtotal Rancho Los Amigos NRC	\$ 205,381,000	
DHS Enterprise Fund		DHS Enterprise Fund		
MN2-HS-6100-60070		MN2-3078		
Other Financing Uses		Committed for DHS		
Decrease Appropriation	366,576,000	Increase Obligated Fund Balance	323,500,000	
DHS Enterprise Fund		DHS Enterprise Fund		
MN2-HS-96-9911-60070		MN2-301G		
Operating Transfers In		Committed for LA General Medical Center		
Increase Revenue	128,319,000	Increase Obligated Fund Balance	90,370,000	
DHS Enterprise Fund		DHS Enterprise Fund		
MN2-304D		MN2-3048		
Committed for Provider Relief Fund		Committed for Harbor-UCLA Medical Center		
Decrease Obligated Fund Balance	325,274,000	Increase Obligated Fund Balance	114,688,000	
		DHS Enterprise Fund		
		MN2-3061		
		Committed for Olive View-UCLA Med Ctr		
	-	Increase Obligated Fund Balance	19,378,000	
		DHS Enterprise Fund		
		MN2-3081		
		Committed for Rancho Los Amigos National Rehabilitation Center		
		Increase Obligated Fund Balance	147,084,000	
		DHS Enterprise Fund		
		MN2-HS-6100-60070		
		Other Financing Uses		
		Increase Appropriation	125,149,000	
Subtotal DHS Enterprise Fund	\$ 820,169,000	Subtotal DHS Enterprise Fund	\$ 820,169,000	
VLFR - Health Services		Health Services - Health Services Administration		
A01-CB-88-8716-10590-10591		A01-HS-5350-20000		
State-Vehicle License Fee AB1288		S&S Expenditure Distributions		
Increase Revenue	12,599,000	Increase Appropriation	5,127,000	
Health Services - Realignment		Health Services - Health Services Administration		
A01-HS-88-8914-19999		A01-HS-96-9910-20000		
1991 Realignment-Health Services		Operating Transfers In - Measure B		
Increase Revenue	1,336,000	Decrease Revenue	9,519,000	
Health Services - Community Programs		Health Services - Health Services Administration		
A01-HU-2000-22200		A01-HS-92-9415-20000		
Services & Supplies		Global Payment Program (GPP)		
Decrease Appropriation	48,936,000	Decrease Revenue	75,762,000	

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES		USES	
Ent Sub - DHS Enterprise Fund		Ambulatory Care Network	
A01-AC-6100-21200-21236		A01-HN-1000-20100	
Other Financing Uses		Salaries and Employee Benefits	
Decrease Appropriation	125,149,000	Increase Appropriation	77,000
		Ambulatory Care Network	
		A01-HN-92-943F-20100	
		Coverage Initiative	
		Decrease Revenue	66,648,000
		Ambulatory Care Network	
		A01-HN-92-943P-20100	
		Medi-Cal Managed Care	
		Decrease Revenue	43,332,000
		Ambulatory Care Network	
		A01-HN-92-9415-20100	
		Global Payment Program (GPP)	
		Decrease Revenue	45,587,000
Los Angeles General Medical Center Capital Improvements			
LA General Med Center Core Laboratory Equipment Replacement			
A01-CP-6014-64010-87336			
Capital Assets - Building & Improv.			
Decrease Appropriation	100,000		
Los Angeles General Medical Center Capital Improvements			
LA General MC Modular Chiller Plant			
A01-CP-6014-64010-87383			
Capital Assets - Building & Improv.			
Decrease Appropriation	261,000		
Los Angeles General Medical Center Capital Improvements			
LA General Medical Center USP 800 Pharmacy Upgrade			
A01-CP-6014-64010-87441			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,004,000		
Los Angeles General Medical Center Capital Improvements			
LA General MC Parking Structure 12 Refurbishment			
A01-CP-6014-64010-87494			
Capital Assets - Building & Improv.			
Decrease Appropriation	100,000		
Los Angeles General Medical Center Capital Improvements			
LA General MC Cath Lab Replacement and Room Remodel Project			
A01-CP-6014-64010-87582			
Capital Assets - Building & Improv.			
Decrease Appropriation	99,000		
Los Angeles General Medical Center Capital Improvements			
LA General Women's and Children's Hospital Demolition			
A01-CP-6014-64010-87476			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,892,000		
Los Angeles General Medical Center Capital Improvements			
LA General Medical Center Ward 2E Remodel			
A01-CP-6014-64010-87863			
Capital Assets - Building & Improv.			
Decrease Appropriation	3,263,000		

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES	USES
Los Angeles General Medical Center Capital Improvements LA General Medical Center Pipe Corrosion Repairs Project A01-CP-6014-64010-87878 Capital Assets - Building & Improv. Decrease Appropriation	26,000
Los Angeles General Medical Center Capital Improvements LA General Medical Center ER-CT UPS Installation Project A01-CP-6014-64010-87879 Capital Assets - Building & Improv. Decrease Appropriation	100,000
Los Angeles General Medical Center Capital Improvements LA General MC Parking Structure 10 Improvements A01-CP-6014-64010-87957 Capital Assets - Building & Improv. Decrease Appropriation	47,000
Los Angeles General Medical Center Capital Improvements LA General MC Mammography Equipment Replace and Rm Remodel A01-CP-6014-64010-87963 Capital Assets - Building & Improv. Decrease Appropriation	1,607,000
Los Angeles General Medical Center Capital Improvements LA General MC IR/AG Suites Equip Replacement and Rm Remodel A01-CP-6014-64010-87964 Capital Assets - Building & Improv. Decrease Appropriation	792,000
Los Angeles General Medical Center Capital Improvements Los Angeles General Medical Center Burner Replacement A01-CP-6014-64010-87990 Capital Assets - Building & Improv. Decrease Appropriation	1,000
Los Angeles General Medical Center Capital Improvements LA General Medical Center Pavers Repair A01-CP-6014-64010-8A001 Capital Assets - Building & Improv. Decrease Appropriation	34,000
Los Angeles General Medical Center Capital Improvements LA General Core Laboratory Equipment Anchorage A01-CP-6014-64010-87996 Capital Assets - Building & Improv. Decrease Appropriation	735,000
Los Angeles General Medical Center Capital Improvements LA General Roche Total Lab Automation Hema Equip Repl A01-CP-6014-64010-87997 Capital Assets - Building & Improv. Decrease Appropriation	1,192,000
Los Angeles General Medical Center Capital Improvements LA General MC Linear Accelerator Equip Rplc and Rm Remdl A01-CP-6014-64010-8A002 Capital Assets - Building & Improv. Decrease Appropriation	3,304,000
Los Angeles General Medical Center Capital Improvements	

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES	USES
LA General MC CT Simulator Equip Rplc and Rm Remdl	
A01-CP-6014-64010-8A003	
Capital Assets - Building & Improv.	
Decrease Appropriation	2,279,000
Los Angeles General Medical Center Capital Improvements	
LA General MC General Radiology Equip Rplc and Rm Remdl	
A01-CP-6014-64010-8A004	
Capital Assets - Building & Improv.	
Decrease Appropriation	2,168,000
Los Angeles General Medical Center Capital Improvements	
LA General Underground Storage Tank Repair	
A01-CP-6014-64010-8A031	
Capital Assets - Building & Improv.	
Decrease Appropriation	783,000
Los Angeles General Medical Center Capital Improvements	
LA General Radiography/Fluoroscopy Equip Rpl and Rm Remodel	
A01-CP-6014-64010-8A036	
Capital Assets - Building & Improv.	
Decrease Appropriation	3,749,000
Los Angeles General Medical Center Capital Improvements	
LA General Air Compressor Replacement	
A01-CP-6014-64010-8A038	
Capital Assets - Building & Improv.	
Decrease Appropriation	496,000
Los Angeles General Medical Center Capital Improvements	
LA General Boiler	
A01-CP-6014-64010-8A039	
Capital Assets - Building & Improv.	
Decrease Appropriation	1,443,000
Los Angeles General Medical Center Capital Improvements	
LA General Pavement Repair	
A01-CP-6014-64010-8A067	
Capital Assets - Building & Improv.	
Decrease Appropriation	299,000
Harbor-UCLA Medical Center Capital Improvements	
H-UCLA Medical Center Nuclear Medicine Room Modification	
A01-CP-6014-64015-87320	
Capital Assets - Building & Improv.	
Decrease Appropriation	68,000
Harbor-UCLA Medical Center Capital Improvements	
Harbor-UCLA Medical Center USP 800 Pharmacy Upgrade	
A01-CP-6014-64015-87442	
Capital Assets - Building & Improv.	
Decrease Appropriation	170,000
Harbor-UCLA Medical Center Capital Improvements	
Harbor-UCLA MC Adult Psychiatric Emergency Svcs. Upgrade	
A01-CP-6014-64015-87557	
Capital Assets - Building & Improv.	
Decrease Appropriation	195,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES	USES
Harbor-UCLA Medical Center Capital Improvements Harbor-UCLA MC Inpatient Pharmacy Expansion A01-CP-6014-64015-87558 Capital Assets - Building & Improv. Decrease Appropriation	759,000
Harbor-UCLA Medical Center Capital Improvements H-UCLA MC Cath Lab Replacement and Room Remodeling Project A01-CP-6014-64015-87581 Capital Assets - Building & Improv. Decrease Appropriation	58,000
Harbor-UCLA Medical Center Capital Improvements Harbor-UCLA Medical Center Angiography Room Refurbishment A01-CP-6014-64015-87709 Capital Assets - Building & Improv. Decrease Appropriation	61,000
Harbor-UCLA Medical Center Capital Improvements Harbor-UCLA MC Computed Tomography Scan Room Remodeling A01-CP-6014-64015-87704 Capital Assets - Building & Improv. Decrease Appropriation	250,000
Harbor-UCLA Medical Center Capital Improvements HUCLA Reverse Osmosis Water Purification System Replacement A01-CP-6014-64015-87978 Capital Assets - Building & Improv. Decrease Appropriation	650,000
Harbor-UCLA Medical Center Capital Improvements Harbor-UCLA MC Pathology Lab Equipment Replacement A01-CP-6014-64015-8A096 Capital Assets - Building & Improv. Decrease Appropriation	552,000
Harbor-UCLA Medical Center Capital Improvements Harbor-UCLA MC Kitchen Grill Evaporative Cooler Replacement A01-CP-6014-64015-8A097 Capital Assets - Building & Improv. Decrease Appropriation	347,000
Martin Luther King Jr. Outpatient Ctr Capital Improvements MLK Clinical Laboratory and Red-bag Storage A01-CP-6014-64020-69857 Capital Assets - Building & Improv. Decrease Appropriation	1,350,000
Martin Luther King Jr. Outpatient Ctr Capital Improvements MLK Jr. Medical Campus Sexual Health Clinic Remodeling-DHS A01-CP-6014-64020-8A053 Capital Assets - Building & Improv. Decrease Appropriation	11,000
Rancho Los Amigos National Rehab Center Capital Improvements RLANRC Medical Air and Vacuum Remodel A01-CP-6014-64025-87595 Capital Assets - Building & Improv. Decrease Appropriation	196,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES	USES
Rancho Los Amigos National Rehab Center Capital Improvements	
Rancho Los Amigos NRC Boiler and Chillers Replacement	
A01-CP-6014-64025-8A042	
Capital Assets - Building & Improv.	
Decrease Appropriation	6,195,000
Olive View-UCLA Medical Center Capital Improvements	
Olive View-UCLA MC SB-1953 Compliance	
A01-CP-6014-64030-87562	
Capital Assets - Building & Improv.	
Decrease Appropriation	4,482,000
Olive View-UCLA Medical Center Capital Improvements	
Olive View-UCLA MC Emergency Power Upgrade	
A01-CP-6014-64030-87564	
Capital Assets - Building & Improv.	
Decrease Appropriation	49,000
Olive View-UCLA Medical Center Capital Improvements	
OVMC Cath Lab Replacement and Room Remodeling Project	
A01-CP-6014-64030-87583	
Capital Assets - Building & Improv.	
Decrease Appropriation	334,000
Olive View-UCLA Medical Center Capital Improvements	
Olive View MC Computerized Tomography Scan Rm Remodeling	
A01-CP-6014-64030-87607	
Capital Assets - Building & Improv.	
Decrease Appropriation	376,000
Olive View-UCLA Medical Center Capital Improvements	
OVMC Single-photon Emission CT Scanner Room Refurbishment	
A01-CP-6014-64030-87588	
Capital Assets - Building & Improv.	
Decrease Appropriation	319,000
Olive View-UCLA Medical Center Capital Improvements	
Olive View-UCLA Medical Center Mammography Room Refurbishmen	
A01-CP-6014-64030-87813	
Capital Assets - Building & Improv.	
Decrease Appropriation	10,000
Olive View-UCLA Medical Center Capital Improvements	
OVMC Central Plant Retrofit	
A01-CP-6014-64030-87589	
Capital Assets - Building & Improv.	
Decrease Appropriation	3,954,000
Olive View-UCLA Medical Center Capital Improvements	
Olive View-UCLA Medical Center Elevators Modernization	
A01-CP-6014-64030-87824	
Capital Assets - Building & Improv.	
Decrease Appropriation	17,000
Olive View-UCLA Medical Center Capital Improvements	
OV-UCLA Medical Center ATS Modernization and MTS Retrofit	
A01-CP-6014-64030-8A040	
Capital Assets - Building & Improv.	
Decrease Appropriation	1,513,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES		USES	
Olive View-UCLA Medical Center Capital Improvements			
Olive View-UCLA Medical Center Core Laboratory Remodel			
A01-CP-6014-64030-8A043			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,002,000		
Olive View-UCLA Medical Center Capital Improvements			
Olive View-UCLA MC Emergency Dept Air Handling Coil Replace			
A01-CP-6014-64030-8A100			
Capital Assets - Building & Improv.			
Decrease Appropriation	71,000		
Olive View-UCLA Medical Center Capital Improvements			
OVMC Central Sterile Equipment Replacement			
A01-CP-6014-64030-8A108			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,725,000		
Various HS Capital Improvements			
Various Refurbishments			
A01-CP-6014-64035-86937			
Capital Assets - Building & Improv.			
Decrease Appropriation	747,000		
Ambulatory Care Network Capital Improvements			
Hubert H. Humphrey CHC Elevator Modernization			
A01-CP-6014-64050-87979			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,611,000		
Ambulatory Care Network Capital Improvements			
Edward R. Roybal CHC Elevator Modernization			
A01-CP-6014-64050-87980			
Capital Assets - Building & Improv.			
Decrease Appropriation	1,169,000		
Ambulatory Care Network Capital Improvements			
H. Claude Hudson Comprehensive Health CUC Remodeling DHS			
A01-CP-6014-64050-8A098			
Capital Assets - Building & Improv.			
Decrease Appropriation	2,496,000		
General Fund			
A01-3306			
Approp for Cont - Canc Comm & A/P			
Decrease Appropriation	1,521,000		
General Fund		LA General Medical Center	
A01-303V		MN4-HG-5500-60010	
Nonspendable for Behavioral Hlth Continuum Infra Prgm		Other Charges	
Decrease Obligated Fund Balance	3,319,000	Increase Appropriation	3,319,000
LA General Medical Center		Ent Sub-LA General Medical Center	
MN4-HG-96-9912-60010		A01-AC-6100-2100-21224	
Operating Subside - General Fund		Other Financing Uses	
Increase Revenue	3,319,000	Increase Appropriation	3,319,000
Health Services - Health Services Administration		General Fund	
A01-HS-2000-20000		A01-3073	
Services & Supplies		Committed for Health Services Future Financial Req	
Decrease Appropriation	310,000	Increase Obligated Fund Balance	310,000

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES

USES

Health Services - Community Programs

A01-HU-2000-22200

Services & Supplies

Decrease Appropriation

2,675,000

Affordable Housing

A01-AM-2000-10160

Services & Supplies

Increase Appropriation

2,675,000

Health Services - Community Programs

A01-HU-2000-22200

Services & Supplies

Decrease Appropriation

74,650,000

PFU - Health Services

A01-CB-2000-13749-13763

Services & Supplies

Increase Appropriation

110,254,000

Health Services - Community Programs

A01-HU-5500-22200

Other Charges

Decrease Appropriation

35,604,000

Subtotal General Fund

\$ 365,929,000

Subtotal General Fund

\$ 365,929,000

Total Department

\$ 1,855,690,000

Total Department

\$ 1,855,690,000

Noted & Approved:

Jean Lo, Chief, Controller's Division
Department of Health Services

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110
September 29, 2025

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 HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2024-25
3 - VOTES

SOURCES

BA DETAIL - SEE ATTACHMENT PAGE II-B

USES

BA DETAIL - SEE ATTACHMENT PAGE II-B

SOURCES TOTAL: \$ 22,617,000 USES TOTAL: \$ 22,617,000

JUSTIFICATION

This budget adjustment is necessary to reallocate the funding for the Measure B Special Revenue Fund among three DHS hospitals and HSA-MLK IGT in accordance with the FY 2024-25 financial experience. The adjustments for HSA-MLK IGT also includes the FY 2023-24 refund and the true-up based on actual payments for FY 2023-24 and FY 2022-23.

AUTHORIZED SIGNATURE Jean Lo, Chief, Controller's Division

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

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY _____	CHIEF EXECUTIVE OFFICER BY _____
B.A. NO. _____	20 _____	20 _____

**DEPARTMENT OF HEALTH SERVICES
MEASURE B BUDGET ADJUSTMENT**

**FY 2024-25
3 - VOTES**

SOURCES		USES	
Measure B - LA General Medical Center		Measure B - Harbor-UCLA Medical Center	
BW9-HS-6100-41010-41014		BW9-HS-6100-41010-41012	
Other Financing Uses		Other Financing Uses	
Decrease Appropriation	13,098,000	Increase Appropriation	20,263,000
Measure B - Administrative/Other		Measure B - Olive View-UCLA Medical Center	
BW9-HS-6100-41010-41017		BW9-HS-6100-41010-41013	
Other Financing Uses		Other Financing Uses	
Decrease Appropriation	6,769,000	Increase Appropriation	2,354,000
Measure B - Private Facilities			
BW9-HS-2000-41010-41016			
Services and Supplies			
Decrease Appropriation	2,750,000		
Sources Total	22,617,000	Uses Total	22,617,000

Noted & Approved:

**Jean Lo, Chief, Controller's Division
Department of Health Services**

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

September 29, 2025

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 HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2024-25
4 - VOTES

SOURCES

BA DETAIL - SEE ATTACHMENT PAGE III-B

USES

BA DETAIL - SEE ATTACHMENT PAGE III-B

SOURCES TOTAL: \$ 499,455,797 USES TOTAL: \$ 499,455,797

JUSTIFICATION

Reflects the adjustment to the department's long-term receivables for the Cost Based Reimbursement Clinics (CBRC), Enhanced Payment Program (EPP), Global Payment Program (QIP), Managed Care Rate Supplement (MCRS) and Specialty Mental Health revenues at various DHS facilities. The revenues were accrued in FY 2024-25 for FYs 2022-23 through 2024-25, but expected to be collected after June 30, 2026.

AUTHORIZED SIGNATURE Jean Lo, Chief, Controller's Division

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

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---	<input type="checkbox"/> ACTION	<input type="checkbox"/> APPROVED AS REQUESTED
	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> APPROVED AS REVISED
AUDITOR-CONTROLLER	BY _____	CHIEF EXECUTIVE OFFICER BY _____
B.A. NO. _____	20 _____	20 _____

DEPARTMENT OF HEALTH SERVICES
NONSPENDABLE FOR LT RECEIVABLES - CBRC, EPP, QIP, MCRS, MH BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES		USES	
LA GENERAL MEDICAL CENTER ENTERPRISE FUND		LA GENERAL MEDICAL CENTER ENTERPRISE FUND	
MN4-3301		MN4-303L	
OTHER FUND BALANCE AVAILABLE		NONSPENDABLE FOR LT RECEIVABLES QIP	
DECREASE FUND BALANCE	136,199,495	INCREASE OBLIGATED FD BAL	49,444,649
LA GENERAL MEDICAL CENTER ENTERPRISE FUND		LA GENERAL MEDICAL CENTER ENTERPRISE FUND	
MN4-3012		MN4-303S	
NONSPENDABLE FOR LT RECEIVABLES CBRC (HOSP)		NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE	
DECREASE OBLIGATED FD BAL	1,907,204	INCREASE OBLIGATED FD BAL	183,171,232
LA GENERAL MEDICAL CENTER ENTERPRISE FUND			
MN4-303K			
NONSPENDABLE FOR LT RECEIVABLES EPP			
DECREASE OBLIGATED FD BAL	17,830,088		
LA GENERAL MEDICAL CENTER ENTERPRISE FUND			
MN4-303T			
NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE - MCE			
DECREASE OBLIGATED FD BAL	60,827,533		
LA GENERAL MEDICAL CENTER ENTERPRISE FUND			
MN4-302G			
NONSPENDABLE FOR LT RECEIVABLES DHS SPEC MH SVCS			
DECREASE OBLIGATED FD BAL	15,851,561		
Harbor – UCLA Medical Center		Harbor – UCLA Medical Center	
MN1-3012		MN1-3301	
NONSPENDABLE FOR LT RECEIVABLES CBRC (HOSP)		OTHER FUND BALANCE AVAILABLE	
DECREASE OBLIGATED FD BAL	7,863,588	INCREASE FUND BALANCE	40,616,327
Harbor – UCLA Medical Center		Harbor – UCLA Medical Center	
MN1-303K		MN1-303L	
NONSPENDABLE FOR LT RECEIVABLES EPP		NONSPENDABLE FOR LT RECEIVABLES QIP	
DECREASE OBLIGATED FD BAL	17,496,963	INCREASE OBLIGATED FD BAL	25,298,476
Harbor – UCLA Medical Center		Harbor – UCLA Medical Center	
MN1-303T		MN1-302G	
NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE - MCE		NONSPENDABLE FOR LT RECEIVABLES DHS SPEC MH SVCS	
DECREASE OBLIGATED FD BAL	24,481,257	INCREASE OBLIGATED FD BAL	18,708,800
Harbor – UCLA Medical Center			
MN1-303S			
NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE			
DECREASE OBLIGATED FD BAL	34,781,795		
OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD		OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD	
MN3-3301		MN3-3012	
OTHER FUND BALANCE AVAILABLE		NONSPENDABLE FOR LT RECEIVABLES CBRC (HOSP)	
DECREASE FUND BALANCE	47,409,966	INCREASE OBLIGATED FD BAL	4,053,789
OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD		OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD	
MN3-303K		MN3-303L	
NONSPENDABLE FOR LT RECEIVABLES EPP		NONSPENDABLE FOR LT RECEIVABLES QIP	
DECREASE OBLIGATED FD BAL	3,555,039	INCREASE OBLIGATED FD BAL	22,937,863
		OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD	
		MN3-303S	
		NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE	
		INCREASE OBLIGATED FD BAL	8,317,585
		OLIVE VIEW-UCLA MEDICAL CNTR ENTERPRISE FD	
		MN3-302G	
		NONSPENDABLE FOR LT RECEIVABLES DHS SPEC MH SVCS	
		INCREASE OBLIGATED FD BAL	15,655,768

DEPARTMENT OF HEALTH SERVICES
NONSPENDABLE FOR LT RECEIVABLES - CBRC, EPP, QIP, MCRS, MH BUDGET ADJUSTMENT

FY 2024-25
4 - VOTES

SOURCES		USES	
RANCHO LOS AMIGOS NAT REHAB CNTR ENT FD		RANCHO LOS AMIGOS NAT REHAB CNTR ENT FD	
MN7-3012		MN7-3301	
NONSPENDABLE FOR LT RECEIVABLES CBRC (HOSP)		OTHER FUND BALANCE AVAILABLE	
DECREASE OBLIGATED FD BAL	1,943,983	INCREASE FUND BALANCE	90,499,882
RANCHO LOS AMIGOS NAT REHAB CNTR ENT FD		RANCHO LOS AMIGOS NAT REHAB CNTR ENT FD	
MN7-303S		MN7-303K	
NONSPENDABLE FOR LT RECEIVABLES MCRS RATE RANGE		NONSPENDABLE FOR LT RECEIVABLES EPP	
DECREASE OBLIGATED FD BAL	96,387,325	INCREASE OBLIGATED FD BAL	726,676
		RANCHO LOS AMIGOS NAT REHAB CNTR ENT FD	
		MN7-303L	
		NONSPENDABLE FOR LT RECEIVABLES QIP	
		INCREASE OBLIGATED FD BAL	7,104,750
AMBULATORY CARE NETWORK		GENERAL FUND	
A01-HN-2000-20100		A01-301A	
SERVICES & SUPPLIES		NONSPENDABLE FOR LT RECEIVABLES CBRC (GF)	
DECREASE APPROPRIATION	13,167,000	INCREASE OBLIGATED FD BAL	13,167,059
AMBULATORY CARE NETWORK		GENERAL FUND	
A01-HN-5500-20100		A01-303K	
OTHER CHARGES		NONSPENDABLE FOR LT RECEIVABLES EPP	
DECREASE APPROPRIATION	19,501,000	INCREASE OBLIGATED FD BAL	1,632,740
HS - COMMUNITY PROGRAMS		GENERAL FUND	
A01-HU-2000-22200		A01-303L	
SERVICES AND SUPPLIES		NONSPENDABLE FOR LT RECEIVABLES QIP	
DECREASE APPROPRIATION	252,000	INCREASE OBLIGATED FD BAL	18,120,033
		GENERAL FUND	
		A01-3301	
		OTHER FUND BALANCE AVAILABLE	
		INCREASE FUND BALANCE	168
Sources Total	499,455,797	Uses Total	499,455,797

Noted & Approved:

Jean Lo, Chief, Controller's Division
Department of Health Services

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
LONG-TERM RECEIVABLES / RESERVE AMOUNT
FISCAL YEAR 2024-25
(\$ in millions)

LONG-TERM RECEIVABLES (LTR)

<u>Revenues</u>	<u>Service Fiscal Year(s)</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Change</u>
Cost Based Reimbursement Clinics (CBRC)	FY 2021-22	\$ 3.5	\$ 2.0	\$ (1.5)
	FY 2022-23	2.0	3.0	1.0
	FY 2023-24	14.3	8.5	(5.8)
	FY 2024-25	10.8	22.6	11.8
	CBRC Total	\$ 30.6	\$ 36.1	\$ 5.5
Enhanced Payment Program (EPP)	FY 2023-24	551.3	\$ -	\$ (551.3)
	FY 2024-25	-	514.8	514.8
	EPP Total	\$ 551.3	\$ 514.8	\$ (36.5)
Quality Incentive Program (QIP)	FY 2023-24	\$ 162.4	\$ -	\$ (162.4)
	FY 2024-25	-	\$ 285.3	285.3
	QIP Total	\$ 162.4	\$ 285.3	\$ 122.9
Managed Care Rate Supplement (MCRS)	FY 2023-24	\$ 216.5	\$ -	\$ (216.5)
	FY 2024-25	-	191.5	191.5
	MCRS Total	\$ 216.5	\$ 191.5	\$ (25.0)
Specialty Mental Health (MH)	FY 2022-23	\$ 59.0	\$ 97.2	\$ 38.2
	FY 2023-24	130.2	17.3	(112.9)
	FY 2024-25	-	93.2	93.2
	Specialty MH Total	\$ 189.2	\$ 207.7	\$ 18.5
Total		\$ 1,150.0	\$ 1,235.4	\$ 85.4

RESERVE AMOUNT

<u>Funding Source</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Change</u>
DHS' Obligated Fund Balance	\$ 1,150.0	\$ 1,235.4	\$ 85.4



September 30, 2025

**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

Christina R. Ghaly, M.D.
Director

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

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

Elizabeth M. Jacobi, J.D.
Administrative Deputy

313 N. Figueroa Street, Suite 912
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*"To advance the health of our
patients and our communities by
providing extraordinary care"*



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

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

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

This is to provide an update to DHS' fiscal forecast for Fiscal Years (FY) 2024-25 through 2027-28. Attachment I-A (excluding Community Programs [CP] and Correctional Health Services [CHS]) is forecasting an available fund balance of \$1.48 billion in FY 2024-25, \$1.06 billion in FY 2025-26, \$938.2 million in FY 2026-27, and (\$197.7) million in FY 2027-28. In FY 2024-25, DHS had an operating deficit of (\$149.7) million and DHS used \$149.7 million of fund balance to cover the deficit. Three other attachments are provided for your information: Attachment I-B is for CP, Attachment I-C is for CHS, and Attachment I-D is a department-wide summary which includes DHS, CP and CHS.

As is widely known, significant changes are being made to the Medicaid program at the federal level, and the issuance of regulations providing specifics on rules and regulations are pending. The absence of specific information on what is required, what is allowed, etc., has made developing fiscal forecasts difficult. Until there is a clearer understanding of the specifics, DHS expects a high level of variability in future forecasts as adjustments will have to be made to take into account the latest available information. Although DHS has used all information currently available to develop the attached four-year forecast, we expect that our fiscal projections will seesaw from one forecast to the next as more information becomes known over time.

In anticipation of the expected uncertainties, DHS has proactively pursued additional revenues, e.g., increasing Measure B funding, In-Home Supportive Services (IHSS) rates, and L.A. Care Health Plan (L.A. Care) managed care rates. In addition, DHS is actively working to improve billing and collections for services provided to non-DHS Medi-Cal patients and making additional technical adjustments that will mitigate the operating deficit. In addition to increasing revenues, DHS has also implemented various cost cutting measures, including

implementing a hiring freeze, some of which are discussed below. The estimated impact of these activities is included in the four-year fiscal forecast.

These actions are just the beginning of our efforts to reduce costs and increase revenues. DHS is aggressively pursuing every potential opportunity, developing innovative revenue maximization efforts, and taking actions to improve efficiencies and reduce costs. In the expectation that these multiple efforts will produce positive results, and pending rule-making by the federal administration, DHS has set a best-case scenario of zero use of fund balance in FY 2025-26. However, if DHS' structural deficit continues and we require use of our fund balance to close the books, then DHS will need to implement more drastic measures (e.g., service reductions and/or facility closures) to align ongoing costs with ongoing revenue.

DHS' APPROACH TO FORECAST

As stated above, the financial outlook for DHS is difficult to forecast due to the present state of unprecedented uncertainties. There are regulations pending on multiple components of the Medicaid program from the Centers for Medicare and Medicaid Services (CMS). Once the CMS regulations are published, there may be court actions filed by California and/or other States challenging various provisions of the regulations. DHS will need to analyze in detail each of the finalized requirements to determine impact, and we anticipate that financial impacts will vary: some may result in lower or higher reductions than originally projected in the forecast. As we navigate this highly volatile and uncertain atmosphere, DHS has opted to take a conservative approach to forecasting.

Due to the financial circumstances of both the State and the County budgets, DHS has to develop its own solutions to pending revenue reductions and focus on ways to offset or mitigate these losses as much as possible. As this process moves forward, DHS will be working closely with the State to maximize revenues.

DHS is expecting the new regulations to be issued during this fiscal year which should provide clarity and enable DHS to better estimate potential revenue impact. DHS will keep the Board updated on significant developments and will provide revised forecasts based on the latest available information.

DHS' current understanding of the key provisions of the federal "big" bill (H.R.1) are described below.

MEDICAID ELIGIBILITY CHANGES

New Requirements for Medicaid Coverage Expansion (MCE) Population

The Affordable Care Act (ACA) provided for an MCE program, with an enhanced federal medical assistance percentage (FMAP) designed to expand Medicaid coverage to low-income adults under age 65. California and 40 other States have MCE programs. H.R.1 provides that, effective January 1, 2027, all MCE States must impose new "community engagement" requirements as a condition of eligibility. In general, this provision requires MCE enrollees to perform 80 hours of work, community service, or education per month, otherwise their Medicaid coverage will be terminated. The requirement cannot be waived.

Shortened Time Period for Redeterminations of MCE Eligibility

The redetermination period for States with MCE Medicaid programs, like California, will be changed from once every year to once every 6 months, starting on January 1, 2027. This provision will increase workload and administrative costs for State Medicaid agencies, health plans, and providers and is likely to result in many DHS MCE patients losing their eligibility.

Reducing Retroactive Medicaid Coverage Period

Medicaid coverage currently extends retroactively to cover services provided as early as the third month before the month in which an individual enrolls. This allows Medi-Cal to cover expenses that enrollees incurred prior to their application. This provision reduces this time frame to one month prior to the month of enrollment for MCE individuals and two months prior for all other enrollees. These changes apply to applications submitted on or after January 1, 2027.

MEDICAID FUNDING CHANGES

Disproportionate Share Hospital (DSH) Funding

Under the ACA, reductions in DSH funding were slated to begin in 2014. Since then, Congress has approved multiple delays and no DSH reductions have ever occurred. Although H.R.1 has no provision to delay the DSH cuts scheduled to begin October 1, 2025, if Congress takes action before September 30, 2026, they can delay the cuts retroactively to October 2025. Because Congress has repeatedly delayed these cuts over the past 10 years, DHS' forecast assumes that no DSH cuts will occur.

1115 Waiver

The current 1115 Waiver expires on December 31, 2026. The Department of Health Care Services (DHCS) has been developing its plans for renewal and released a concept paper in July 2025 seeking input from stakeholders. DHCS' Waiver renewal proposal includes multiple components including various California Advancing and Innovating Medi-Cal (CalAIM) and community support programs. For DHS, one of the most important components of the renewal proposal is the Global Payment Program (GPP). GPP was developed to expand the use of DSH funding, which is limited to hospital-based services, to also allow its use for non-hospital-based services which, in many instances, are more appropriate and cost-effective ways to provide patient care. GPP incentivizes the shift from hospital-based to non-hospital-based care and rewards health systems based on a point system that favors preventive and primary care services over emergency and inpatient care. If GPP is not renewed, the DSH program would replace GPP and limit DHS' ability to treat uninsured patients in the most appropriate settings. GPP is valued at approximately \$600 million annually to DHS.

Three CalAIM services are authorized under the current Section 1115 Waiver, and would be subject to cancellation if the current waiver is not renewed. These include short-term post-hospitalization housing, which was only recently implemented in Los

Angeles County, and recuperative care. The third is for reentry services which would provide targeted Medi-Cal services for justice-involved individuals for a period of up to 90 days prior to release. At this time, DHS has not implemented this program and is working with DHCS to ensure that implementing this program will be financially feasible for DHS. The remaining Community Supports are authorized by the 1915(b) waiver and are subject to the conditions enumerated in there and are implemented via the Medi-Cal managed care plan contracts as in lieu of services and not subject to expiration with the current 1115 Waiver. Of note, transitional rent is not part of the Section 1115 Waiver noted above; it was recently separately authorized as part of the BH-Connect waiver which expires on December 31, 2029.

DHCS' timeline for 1115 Waiver renewal is as follows:

<u>July 2025</u>	Release concept paper (completed)
<u>November 2025</u>	Post draft renewal summary and public notices
<u>January 2026</u>	Submit 1115 Waiver application to CMS
<u>January - July 2026</u>	Draft standard terms and conditions
<u>July 2026</u>	Target for CMS approval of Waiver
<u>December 2026</u>	Waiver expires
<u>January 2027</u>	Effective date of renewed Waiver

It is important to point out that if CMS takes no affirmative action on California's request for renewal, the Waiver would automatically expire on December 31, 2026. It is also possible that parts of the Waiver could be approved while others could be excluded or significantly changed. In this forecast, DHS is assuming that the current components of GPP will be renewed with no changes. However, if GPP is not renewed, the funding will be converted back to the DSH program and use of DSH funds would again be limited to hospital-based services only. Unexpected consequences could result in such a scenario and it is unclear how a transition from GPP back to DSH would impact DHS' bottom line.

An update to GPP will be included in the next Fiscal Outlook report based on the specific terms and conditions of the Waiver, if it is approved. DHS is actively involved with Waiver development issues, closely following its progress through the various stages, and will continue to follow developments diligently.

State Directed Payments

State directed payments are supplemental payments provided to Designated Public Hospitals, e.g., DHS, through managed care plans. DHS receives two major revenue streams from state directed payments: 1) Enhanced Payment Program (EPP) and 2) Quality Incentive Payments (QIP). H.R.1 permits state directed payment programs established prior to the bill's enactment to continue until January 1, 2028. After that, the total amount of the directed payment will be reduced by 10% each year until the total payment rate is below what Medicare would pay.

Elimination of 90/10 FMAP for Limited Scope Emergency Services

Effective October 1, 2026, H.R.1 prohibits States from claiming enhanced FMAPs, e.g., MCE rates, for emergency services provided to limited scope individuals. Although individuals without legal status will continue to be eligible for emergency Medi-Cal, the FMAP will be reduced from the current 90%/10% matching rate to 50%/50%. The reduction in FMAP shifts costs from the federal government to States and local governments. The FMAP reduction applies only to emergency services.

Increase in Uninsured Patients

As implementation of federal actions are taking place and significant changes in Medicaid are planned, DHS expects there will be a steady decline in enrollment due to the addition of work requirements and a shortened redetermination period described above, beginning January 1, 2027. DHS expects further decreases to its enrollment from actions planned by the State to address its own budget issues. Beginning January 1, 2026, the State will freeze enrollment in the State-only Medi-Cal program for adults age 19 or older who have unsatisfactory immigration status (UIS). Beginning January 1, 2027, the State will require UIS individuals ages 19-59 years to pay a \$30 per month premium to retain their coverage.

Monthly average Medi-Cal applications are expected to decrease further as many patients will likely choose not to apply. Anecdotally, our facilities are already reporting that patients are declining to apply in greater numbers, and some have inquired if they can terminate their existing Medi-Cal coverage and have their cases removed from the records. DHS expects this downward trend to continue which will result in a significant increase in the number of uninsured. Increases in uninsured will increase DHS' unreimbursed costs.

IHSS

IHSS Homecare Workers Health Care Plan is a commercial line of business contracted with the Personal Assistance Services Council (PASC) and operated by L.A. Care. There are currently 50,228 IHSS enrolled members and DHS provides services to approximately 88% of those enrollees. DHS' costs for providing these services significantly exceeds the net capitation revenue that DHS receives for those members. This shortfall has occurred because the IHSS rates had not been increased since 2012. Over the intervening years, there have been significant cost increases with no corresponding increases in IHSS rates.

Given current federal actions that will reduce DHS' revenues, all lines of business must break even. With respect to IHSS, we have been working closely with L.A. Care and its actuaries to increase the rates to appropriate levels. L.A. Care has submitted the proposed rate increase to the Department of Managed Health Care for approval. The rates are expected to be effective October 1, 2025. DHS is estimating its losses from the IHSS line of business to decrease from the current year's \$124 million to \$31 million annually due to the rate increase.

DHS had planned to work with L.A. Care each year to secure rate increases to keep pace with medical inflation and other changes. The recently passed Board action regarding the IHSS program reduced the available room within the health care allocation cap by shifting 10 cents of the per hour benefit rate from health benefits to the wage supplements. This percentage change in allocation reduces the annual health benefit by approximately \$39 million. With less resources, DHS will not be able to secure an increase in rates to keep up with medical inflation and changes in enrollment, and deficits in this program will continue to increase. DHS will need to work with the County, L.A. Care, and PASC to assess and implement options to maintain annual program costs within existing revenue. With medical cost inflation continuing to rise and no ability to increase the rates, options will have to be considered, e.g., limiting eligibility for health benefits, reducing benefit scope, or increasing cost-sharing. If such alternatives are not implemented, DHS will not be able to maintain its role as a provider of care in L.A. Care's PASC-IHSS line of business.

CORRECTIONAL HEALTH SERVICES (CHS)

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. In FY 2024-25, one-time funds of \$47.6 million were allocated to support CHS operations and a portion of that funding is being used in FY 2025-26. In addition, one-time funding of \$18.7 million annually for three years and \$8.2 million annually for five years will be allocated to ensure CHS' budget is balanced. DHS continues to work with the Chief Executive Office (CEO) and the Sheriff to address Department of Justice (DOJ)-related operational and staffing issues. DHS will discuss any supplemental funding needs with the CEO should additional funding be necessary to comply with the DOJ consent decree.

COMMUNITY PROGRAMS (CP)

Community Programs is comprised of two sections: 1) Housing for Health (HFH) which is included in the Fiscal Outlook until it transitions to the newly created Department of Homeless Services and Housing on January 1, 2026, and 2) the Office of Diversion and Re-entry (ODR) which will remain in DHS. Replacement funding for HFH of \$129.9 million will be needed starting in FY 2026-27 and \$179.7 million for 2027-28. This is primarily due to the loss of one-time Measure H funding and American Rescue Plan Act- enabled funding and CalAIM. ODR will require replacement funding of \$3.7million beginning in FY 2027-28 due to the loss of CalAIM funding. Starting in FY 25-26 ODR has no further funding to expand services and will not be able to divert more individuals as a result unless the Board allocates additional funding.

AB 85

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 FY 2024-25.

PATIENT ACCOUNTING

Since our last update, two Request for Proposals (RFP) have been released related to DHS' patient accounting system. The first is for consulting services to assist with the implementation and change management workstreams of a new revenue cycle system to replace Affinity RCO and are in the final stages of scoring. The second RFP is to resolicit our billing and insurance collections, a role currently outsourced to Sutherland. We have completed the first phase of minimum mandatory review of the respondents to the RFP and will be sending out invitations to proceed to the next step this month. DHS will be submitting this contract for the Board's approval this fiscal year.

We also completed the scope of work for the new patient accounting system which is a sole source contract that will be submitted for Board approval within the current fiscal year. We are on target to begin a phased implementation of the new patient accounting system at the beginning of FY 2027-28.

COST EFFICIENCIES

DHS has been taking action to reduce costs wherever possible, limiting hiring with a particular focus on administrative and management positions, reducing registry and overtime, limiting non-essential purchases, freezing non-essential travel and training, limiting capital and deferred maintenance projects wherever possible, limiting nonessential leases, and deferring equipment purchases where not essential, among other steps. DHS is working on efficiencies across all operations in FY 2025-26 to meet expenditure caps, including reviewing operational models for cost saving opportunities, load balancing staff assignments with patient census, freezing vacant items on teams adequately staffed, and developing a schedule for deletion of long vacant and excess items.

In addition, DHS is advancing productivity and efficiency strategies across core clinical operations covering laboratory, radiology, pharmacy, and nursing services. Examples of such work include optimizing test utilization to reduce unnecessary/duplicative testing, reviewing criteria for send-out tests, optimizing staffing models to patient census through dynamic scheduling and improved scheduling, consolidating imaging reads through enterprise-wide teleradiology, standardizing imaging protocols to reduce unnecessary repeat exams, and optimizing scheduling to balance capacity across sites, reviewing formulary management practices, and investigating opportunities to achieve 340b pricing in our non-hospital-based outpatient clinics.

Due to rising costs and anticipated revenue cuts, DHS implemented a hiring freeze effective July 18, 2025. The hiring freeze applies to DHS' four hospitals (L.A. General, Harbor, Olive View, and Rancho), the Ambulatory Care Network, and Health Services Administration. A position deemed essential for hire will need to be approved by facility executive leadership and also receive executive management approval at the system level in order to be hired on during the freeze. Through the hiring freeze, DHS' goal is to minimize the impact of future reductions to patients and workforce members.

NON-ESSENTIAL SERVICES

Efforts to preserve core and essential services is the top priority for DHS. An all-provider memo was distributed which reaffirmed the definition of non-covered and non-medically necessary services which should not be provided. This includes services not covered by Medi-Cal managed care plans and procedures performed in the absence of symptoms, documented functional impairment, or other clinical indications.

Certain non-covered or non-essential services that DHS currently provides, are being reviewed for potential future reductions. DHS will engage with counsel to review all clinical service/program changes and will comply with requirements for Beilenson hearings and SB1300 postings where appropriate. One more immediate action is a notice of termination provided to health plans for Enhanced Care Management and non-specialty mental health contracts. This action was taken due to financial losses in both programs based on existing fee-for-service rates after extensive efforts to negotiate alternative arrangements were unsuccessful. Patients will still receive a constant level of services through the health plan by a non-DHS provider.

TECHNICAL ACCOUNTING CHANGE

For FY 2024-25, DHS is making a prior year technical change to its long-term payables and receivables related to Intergovernmental Governmental Transfer (IGT)-based programs. In prior years, DHS recognized IGT payments as short-term expenses while recording the expected revenues as long term receivables (LTRs). Going forward, DHS will record both the IGT payments, and the associated revenues expected to be collected 12 months beyond year-end as long-term payables and receivables, respectively. This adjustment will decrease the amount of reserve funds needed for the LTRs with the corresponding change in long-term payables and will not impact the overall fund balance of DHS.

If you have any questions or need additional information, please let me know, or you may contact Allan Wecker, Chief Financial Officer, at (626) 525-6279.

CRG:aw
Fiscal Outlook sept 2025
609:005

Attachments (4)

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

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COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FISCAL FORECAST
FISCAL YEARS 2024-25 THROUGH 2027-28
(\$ IN MILLIONS)

ATTACHMENT I-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 2024-25 ACTUALS	Adjustments	FY 2025-26 FORECAST	Adjustments	FY 2026-27 FORECAST	Adjustments	FY 2027-28 FORECAST	
(1)	Expenses								(1)
(2)	Salaries & Employee Benefits	\$ 4,043.556	\$ 152.124	\$ 4,195.680	\$ 204.811	\$ 4,400.491	\$ 212.460	\$ 4,612.951	(2)
(3)	Net Services & Supplies	2,648.726	(7.527)	2,641.199	134.561	2,775.760	108.204	2,883.964	(3)
(4)	Debt Service - Harbor Master Plan	34.338	36.987	71.325	-	71.325	-	71.325	(4)
(5)	Debt Service - Other	58.845	10.584	69.429	(0.395)	69.034	(0.798)	68.236	(5)
(6)	Other Charges	1,466.401	184.864	1,651.265	19.888	1,671.153	26.668	1,697.821	(6)
(7)	Capital Assets	69.811	(30.857)	38.954	-	38.954	-	38.954	(7)
(8)	Capital Projects & Deferred Maintenance	36.782	7.420	44.202	(7.463)	36.739	1.510	38.249	(8)
(9)	Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10)	Intrafund Transfer	(155.926)	(0.066)	(155.992)	-	(155.992)	-	(155.992)	(10)
(11)	Total Expenses	\$ 8,202.533	\$ 353.529	\$ 8,556.062	\$ 351.402	\$ 8,907.464	\$ 348.044	\$ 9,255.508	(11)
(12)	Revenues								(12)
(13)	Managed Care	1,528.777	(3.808)	1,524.969	(28.312)	1,496.657	(84.236)	1,412.421	(13)
(14)	Enhanced Payment Program (EPP)	791.942	7.712	799.654	34.089	833.743	35.543	869.286	(14)
(15)	Quality Incentive Program (QIP)	378.518	237.962	616.480	16.343	632.823	17.038	649.861	(15)
(16)	Cali. Advancing & Innovating Medi-Cal (CalAIM)	5.317	(2.818)	2.499	(0.593)	1.906	(1.906)	-	(16)
(17)	Global Payment Program (GPP)	1,187.075	(32.506)	1,154.569	19.483	1,174.052	20.186	1,194.238	(17)
(18)	Medi-Cal Inpatient	333.970	13.359	347.329	13.893	361.222	14.449	375.671	(18)
(19)	Medi-Cal Outpatient - E/R	62.286	2.492	64.778	2.592	67.370	2.695	70.065	(19)
(20)	Medi-Cal CBRC	185.669	7.427	193.096	7.724	200.820	8.033	208.853	(20)
(21)	Medi-Cal SB 1732	12.107	-	12.107	-	12.107	-	12.107	(21)
(22)	Specialty Mental Health Services (SMHS)	183.112	(3.087)	180.025	-	180.025	-	180.025	(22)
(23)	Managed Care Graduate Medical Education (GME)	217.725	-	217.725	-	217.725	-	217.725	(23)
(24)	Hospital Provider Fee	26.378	2.169	28.547	-	28.547	-	28.547	(24)
(25)	Medicare	439.906	-	439.906	-	439.906	-	439.906	(25)
(26)	Hospital Insurance Collection	157.356	-	157.356	-	157.356	-	157.356	(26)
(27)	Self-Pay	3.729	-	3.729	-	3.729	-	3.729	(27)
(28)	In-Home Supportive Services (IHSS)	56.440	71.840	128.280	25.774	154.054	-	154.054	(28)
(29)	Federal & State - Other	202.986	-	202.986	-	202.986	-	202.986	(29)
(30)	Measure H	-	-	-	-	-	-	-	(30)
(31)	Measure A	-	-	-	-	-	-	-	(31)
(32)	Other County Department (OCD)	578.820	23.575	602.395	24.096	626.491	25.060	651.551	(32)
(33)	American Rescue Plan Act (ARPA) Revenue	-	-	-	-	-	-	-	(33)
(34)	Other	111.047	1.098	112.145	0.495	112.640	-	112.640	(34)
(34)	Total Revenues	\$ 6,463.160	\$ 325.415	\$ 6,788.575	\$ 115.584	\$ 6,904.159	\$ 36.862	\$ 6,941.021	(34)
(35)	Net Cost - Before PY	\$ 1,739.373	\$ 28.114	\$ 1,767.487	\$ 235.818	\$ 2,003.305	\$ 311.182	\$ 2,314.487	(35)
(36)	Prior-Year Surplus / (Deficit)	464.969	(289.233)	175.736	(175.736)	-	-	-	(36)
(37)	AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38)	Net Cost - After PY & AB 85 Redirection	\$ 1,274.404	\$ 317.347	\$ 1,591.751	\$ 411.554	\$ 2,003.305	\$ 311.182	\$ 2,314.487	(38)
(39)	Operating Subsidies								(39)
(40)	Sales Tax & VLF	452.155	(13.934)	438.221	-	438.221	-	438.221	(40)
(41)	County Contribution	368.215	19.936	388.151	4.859	393.010	5.270	398.280	(41)
(42)	Tobacco Settlement	54.959	(4.305)	50.654	-	50.654	-	50.654	(42)
(43)	Measure B	249.342	54.913	304.255	-	304.255	-	304.255	(43)
(44)	Total Operating Subsidies	\$ 1,124.671	\$ 56.610	\$ 1,181.281	\$ 4.859	\$ 1,186.140	\$ 5.270	\$ 1,191.410	(44)
(45)	Surplus / (Deficit) = (44) - (38)	\$ (149.733)	\$ (260.737)	\$ (410.470)	\$ (406.695)	\$ (817.165)	\$ (305.912)	\$ (1,123.077)	(45)
(46)	Replacement Funding Needed	-	-	-	-	-	-	-	(46)
(47)	Adjusted Surplus / (Deficit)	\$ (149.733)	\$ (260.737)	\$ (410.470)	\$ (406.695)	\$ (817.165)	\$ (305.912)	\$ (1,123.077)	(47)
(48)	Beginning Fund Balance	\$ 1,710.582	\$ (235.146)	\$ 1,475.436	\$ (418.718)	\$ 1,056.718	\$ (118.527)	\$ 938.191	(48)
(49)	Surplus / (Deficit)	(149.733)	(260.737)	(410.470)	(406.695)	(817.165)	(305.912)	(1,123.077)	(49)
(50)	Long-Term Receivables Reserve	(85.413)	77.165	(8.248)	706.886	698.638	(711.480)	(12.842)	(50)
(51)	Available Fund Balance	\$ 1,475.436	\$ (418.718)	\$ 1,056.718	\$ (118.527)	\$ 938.191	\$ (1,135.919)	\$ (197.728)	(51)

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COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FISCAL FORECAST
FISCAL YEARS 2024-25 THROUGH 2027-28
(\$ IN MILLIONS)

ATTACHMENT I-B

B

Community Programs

		Year 1		Year 2		Year 3		Year 4	
		A	B	C	D	E	F	G	
		FY 2024-25 ACTUALS	Adjustments	FY 2025-26 FORECAST	Adjustments	FY 2026-27 FORECAST	Adjustments	FY 2027-28 FORECAST	
(1)	Expenses								(1)
(2)	Salaries & Employee Benefits	\$ 75.295	\$ 16.266	\$ 91.561	\$ 3.032	\$ 94.593	\$ 3.855	\$ 98.448	(2)
(3)	Net Services & Supplies	771.575	281.137	1,052.712	(115.051)	937.661	(10.206)	927.455	(3)
(4)	Debt Service - Harbor Master Plan	-	-	-	-	-	-	-	(4)
(5)	Debt Service - Other	2.382	-	2.382	-	2.382	-	2.382	(5)
(6)	Other Charges	71.740	(51.915)	19.825	14.101	33.926	(27.904)	6.022	(6)
(7)	Capital Assets	0.888	(0.145)	0.743	(0.743)	-	-	-	(7)
(8)	Capital Projects & Deferred Maintenance	-	-	-	-	-	-	-	(8)
(9)	Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10)	Intrafund Transfer	(193.081)	(103.873)	(296.954)	59.163	(237.791)	0.875	(236.916)	(10)
(11)	Total Expenses	\$ 728.799	\$ 141.470	\$ 870.269	\$ (39.498)	\$ 830.771	\$ (33.380)	\$ 797.391	(11)
(12)	Revenues								(12)
(13)	Managed Care	0.854	(0.854)	-	-	-	-	-	(13)
(14)	Enhanced Payment Program (EPP)	0.927	(0.927)	-	-	-	-	-	(14)
(15)	Quality Incentive Program (QIP)	-	-	-	-	-	-	-	(15)
(16)	Cali. Advancing & Innovating Medi-Cal (CalAIM)	67.581	1.384	68.965	(34.941)	34.024	(34.024)	-	(16)
(17)	Global Payment Program (GPP)	45.481	(45.481)	-	-	-	-	-	(17)
(18)	Medi-Cal Inpatient	-	-	-	-	-	-	-	(18)
(19)	Medi-Cal Outpatient - E/R	-	-	-	-	-	-	-	(19)
(20)	Medi-Cal CBRC	-	-	-	-	-	-	-	(20)
(21)	Medi-Cal SB 1732	-	-	-	-	-	-	-	(21)
(22)	Specialty Mental Health Services (SMHS)	-	-	-	-	-	-	-	(22)
(23)	Managed Care Graduate Medical Education (GME)	-	-	-	-	-	-	-	(23)
(24)	Hospital Provider Fee	-	-	-	-	-	-	-	(24)
(25)	Medicare	-	-	-	-	-	-	-	(25)
(26)	Hospital Insurance Collection	-	-	-	-	-	-	-	(26)
(27)	Self-Pay	-	-	-	-	-	-	-	(27)
(28)	In-Home Supportive Services (IHSS)	0.001	(0.001)	-	-	-	-	-	(28)
(29)	Federal & State - Other	235.934	1.700	237.634	(21.882)	215.752	0.200	215.952	(29)
(30)	Measure H	228.213	(228.213)	-	-	-	-	-	(30)
(31)	Measure A	-	377.216	377.216	(87.213)	290.003	(7.337)	282.666	(31)
(32)	Other County Department (OCD)	-	0.190	0.190	-	0.190	-	0.190	(32)
(33)	American Rescue Plan Act (ARPA) Revenue	-	-	-	-	-	-	-	(33)
(34)	Other	18.336	10.629	28.965	0.740	29.705	(3.973)	25.732	(34)
(34)	Total Revenues	\$ 597.327	\$ 115.643	\$ 712.970	\$ (143.296)	\$ 569.674	\$ (45.134)	\$ 524.540	(34)
(35)	Net Cost - Before PY	\$ 131.472	\$ 25.827	\$ 157.299	\$ 103.798	\$ 261.097	\$ 11.754	\$ 272.851	(35)
(36)	Prior-Year Surplus / (Deficit)	51.846	(44.708)	7.138	(7.138)	-	-	-	(36)
(37)	AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38)	Net Cost - After PY & AB 85 Redirection	\$ 79.626	\$ 70.535	\$ 150.161	\$ 110.936	\$ 261.097	\$ 11.754	\$ 272.851	(38)
(39)	Operating Subsidies								(39)
(40)	Sales Tax & VLF	-	-	-	-	-	-	-	(40)
(41)	County Contribution	79.626	48.060	127.686	3.488	131.174	(41.724)	89.450	(41)
(42)	Tobacco Settlement	-	-	-	-	-	-	-	(42)
(43)	Measure B	-	-	-	-	-	-	-	(43)
(44)	Total Operating Subsidies	\$ 79.626	\$ 48.060	\$ 127.686	\$ 3.488	\$ 131.174	\$ (41.724)	\$ 89.450	(44)
(45)	Surplus / (Deficit) = (44) - (38)	\$ -	\$ (22.475)	\$ (22.475)	\$ (107.448)	\$ (129.923)	\$ (53.478)	\$ (183.401)	(45)
(46)	Replacement Funding Needed	-	22.475	22.475	107.448	129.923	53.478	183.401	(46)
(47)	Adjusted Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(47)

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COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FISCAL FORECAST
FISCAL YEARS 2024-25 THROUGH 2027-28
(\$ 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 2024-25 ACTUALS	Adjustments	FY 2025-26 FORECAST	Adjustments	FY 2026-27 FORECAST	Adjustments	FY 2027-28 FORECAST	
(1)	Expenses								(1)
(2)	Salaries & Employee Benefits	\$ 394.412	\$ 25.059	\$ 419.471	\$ 15.372	\$ 434.843	\$ 20.560	\$ 455.403	(2)
(3)	Net Services & Supplies	153.756	39.612	193.368	7.036	200.404	7.479	207.883	(3)
(4)	Debt Service - Harbor Master Plan	-	-	-	-	-	-	-	(4)
(5)	Debt Service - Other	-	-	-	-	-	-	-	(5)
(6)	Other Charges	2.142	(0.995)	1.147	-	1.147	-	1.147	(6)
(7)	Capital Assets	2.271	(2.271)	-	-	-	-	-	(7)
(8)	Capital Projects & Deferred Maintenance	-	-	-	-	-	-	-	(8)
(9)	Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10)	Intrafund Transfer	(2.447)	-	(2.447)	-	(2.447)	-	(2.447)	(10)
(11)	Total Expenses	\$ 550.134	\$ 61.405	\$ 611.539	\$ 22.408	\$ 633.947	\$ 28.039	\$ 661.986	(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)	Global Payment Program (GPP)	-	-	-	-	-	-	-	(17)
(18)	Medi-Cal Inpatient	-	-	-	-	-	-	-	(18)
(19)	Medi-Cal Outpatient - E/R	-	-	-	-	-	-	-	(19)
(20)	Medi-Cal CBRC	-	-	-	-	-	-	-	(20)
(21)	Medi-Cal SB 1732	-	-	-	-	-	-	-	(21)
(22)	Specialty Mental Health Services (SMHS)	-	-	-	-	-	-	-	(22)
(23)	Managed Care Graduate Medical Education (GME)	-	-	-	-	-	-	-	(23)
(24)	Hospital Provider Fee	-	-	-	-	-	-	-	(24)
(25)	Medicare	-	-	-	-	-	-	-	(25)
(26)	Hospital Insurance Collection	-	-	-	-	-	-	-	(26)
(27)	Self-Pay	-	-	-	-	-	-	-	(27)
(28)	In-Home Supportive Services (IHSS)	-	-	-	-	-	-	-	(28)
(29)	Federal & State - Other	32.189	-	32.189	-	32.189	-	32.189	(29)
(30)	Measure H	1.346	(1.346)	-	-	-	-	-	(30)
(31)	Measure A	-	-	-	-	-	-	-	(31)
(32)	Other County Department (OCD)	-	-	-	-	-	-	-	(32)
(33)	American Rescue Plan Act (ARPA) Revenue	0.696	(0.696)	-	-	-	-	-	(33)
(34)	Other	20.189	(11.800)	8.389	-	8.389	-	8.389	(34)
(34)	Total Revenues	\$ 54.420	\$ (13.842)	\$ 40.578	\$ -	\$ 40.578	\$ -	\$ 40.578	(34)
(35)	Net Cost - Before PY	\$ 495.714	\$ 75.247	\$ 570.961	\$ 22.408	\$ 593.369	\$ 28.039	\$ 621.408	(35)
(36)	Prior-Year Surplus / (Deficit)	0.666	(0.666)	-	-	-	-	-	(36)
(37)	AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38)	Net Cost - After PY & AB 85 Redirection	\$ 495.048	\$ 75.913	\$ 570.961	\$ 22.408	\$ 593.369	\$ 28.039	\$ 621.408	(38)
(39)	Operating Subsidies								(39)
(40)	Sales Tax & VLF	-	-	-	-	-	-	-	(40)
(41)	County Contribution	495.048	75.913	570.961	22.408	593.369	28.039	621.408	(41)
(42)	Tobacco Settlement	-	-	-	-	-	-	-	(42)
(43)	Measure B	-	-	-	-	-	-	-	(43)
(44)	Total Operating Subsidies	\$ 495.048	\$ 75.913	\$ 570.961	\$ 22.408	\$ 593.369	\$ 28.039	\$ 621.408	(44)
(45)	Surplus / (Deficit) = (44) - (38)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(45)
(46)	Replacement Funding Needed	-	-	-	-	-	-	-	(46)
(47)	Adjusted Surplus / (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(47)

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COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
FISCAL FORECAST
FISCAL YEARS 2024-25 THROUGH 2027-28
(\$ 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 2024-25 ACTUALS	Adjustments	FY 2025-26 FORECAST	Adjustments	FY 2026-27 FORECAST	Adjustments	FY 2027-28 FORECAST	
(1)	Expenses								(1)
(2)	Salaries & Employee Benefits	\$ 4,513.263	\$ 193.449	\$ 4,706.712	\$ 223.215	\$ 4,929.927	\$ 236.875	\$ 5,166.802	(2)
(3)	Net Services & Supplies	3,574.057	313.222	3,887.279	26.546	3,913.825	105.477	4,019.302	(3)
(4)	Debt Service - Harbor Master Plan	34.338	36.987	71.325	-	71.325	-	71.325	(4)
(5)	Debt Service - Other	61.227	10.584	71.811	(0.395)	71.416	(0.798)	70.618	(5)
(6)	Other Charges	1,540.283	131.954	1,672.237	33.989	1,706.226	(1.236)	1,704.990	(6)
(7)	Capital Assets	72.970	(33.273)	39.697	(0.743)	38.954	-	38.954	(7)
(8)	Capital Projects & Deferred Maintenance	36.782	7.420	44.202	(7.463)	36.739	1.510	38.249	(8)
(9)	Operating Transfers Out	-	-	-	-	-	-	-	(9)
(10)	Intrafund Transfer	(351.454)	(103.939)	(455.393)	59.163	(396.230)	0.875	(395.355)	(10)
(11)	Total Expenses	\$ 9,481.466	\$ 556.404	\$ 10,037.870	\$ 334.312	\$ 10,372.182	\$ 342.703	\$ 10,714.885	(11)
(12)	Revenues								(12)
(13)	Managed Care	1,529.631	(4.662)	1,524.969	(28.312)	1,496.657	(84.236)	1,412.421	(13)
(14)	Enhanced Payment Program (EPP)	792.869	6.785	799.654	34.089	833.743	35.543	869.286	(14)
(15)	Quality Incentive Program (QIP)	378.518	237.962	616.480	16.343	632.823	17.038	649.861	(15)
(16)	Cali. Advancing & Innovating Medi-Cal (CalAIM)	72.898	(1.434)	71.464	(35.534)	35.930	(35.930)	-	(16)
(17)	Global Payment Program (GPP)	1,232.556	(77.987)	1,154.569	19.483	1,174.052	20.186	1,194.238	(17)
(18)	Medi-Cal Inpatient	333.970	13.359	347.329	13.893	361.222	14.449	375.671	(18)
(19)	Medi-Cal Outpatient - E/R	62.286	2.492	64.778	2.592	67.370	2.695	70.065	(19)
(20)	Medi-Cal CBRC	185.669	7.427	193.096	7.724	200.820	8.033	208.853	(20)
(21)	Medi-Cal SB 1732	12.107	-	12.107	-	12.107	-	12.107	(21)
(22)	Specialty Mental Health Services (SMHS)	183.112	(3.087)	180.025	-	180.025	-	180.025	(22)
(23)	Managed Care Graduate Medical Education (GME)	217.725	-	217.725	-	217.725	-	217.725	(23)
(24)	Hospital Provider Fee	26.378	2.169	28.547	-	28.547	-	28.547	(24)
(25)	Medicare	439.906	-	439.906	-	439.906	-	439.906	(25)
(26)	Hospital Insurance Collection	157.356	-	157.356	-	157.356	-	157.356	(26)
(27)	Self-Pay	3.729	-	3.729	-	3.729	-	3.729	(27)
(28)	In-Home Supportive Services (IHSS)	56.441	71.839	128.280	25.774	154.054	-	154.054	(28)
(29)	Federal & State - Other	471.109	1.700	472.809	(21.882)	450.927	0.200	451.127	(29)
(30)	Measure H	229.559	(229.559)	-	-	-	-	-	(30)
(31)	Measure A	-	377.216	377.216	(87.213)	290.003	(7.337)	282.666	(31)
(32)	Other County Department (OCD)	578.820	23.765	602.585	24.096	626.681	25.060	651.741	(32)
(33)	American Rescue Plan Act (ARPA) Revenue	0.696	(0.696)	-	-	-	-	-	(33)
(34)	Other	149.572	(0.073)	149.499	1.235	150.734	(3.973)	146.761	(34)
(34)	Total Revenues	\$ 7,114.907	\$ 427.216	\$ 7,542.123	\$ (27.712)	\$ 7,514.411	\$ (8.272)	\$ 7,506.139	(34)
(35)	Net Cost - Before PY	\$ 2,366.559	\$ 129.188	\$ 2,495.747	\$ 362.024	\$ 2,857.771	\$ 350.975	\$ 3,208.746	(35)
(36)	Prior-Year Surplus / (Deficit)	517.481	(334.607)	182.874	(182.874)	-	-	-	(36)
(37)	AB 85 Redirection	-	-	-	-	-	-	-	(37)
(38)	Net Cost - After PY & AB 85 Redirection	\$ 1,849.078	\$ 463.795	\$ 2,312.873	\$ 544.898	\$ 2,857.771	\$ 350.975	\$ 3,208.746	(38)
(39)	Operating Subsidies								(39)
(40)	Sales Tax & VLF	452.155	(13.934)	438.221	-	438.221	-	438.221	(40)
(41)	County Contribution	942.889	143.909	1,086.798	30.755	1,117.553	(8.415)	1,109.138	(41)
(42)	Tobacco Settlement	54.959	(4.305)	50.654	-	50.654	-	50.654	(42)
(43)	Measure B	249.342	54.913	304.255	-	304.255	-	304.255	(43)
(44)	Total Operating Subsidies	\$ 1,699.345	\$ 180.583	\$ 1,879.928	\$ 30.755	\$ 1,910.683	\$ (8.415)	\$ 1,902.268	(44)
(45)	Surplus / (Deficit) = (44) - (38)	\$ (149.733)	\$ (283.212)	\$ (432.945)	\$ (514.143)	\$ (947.088)	\$ (359.390)	\$ (1,306.478)	(45)
(46)	Replacement Funding Needed	-	22.475	22.475	107.448	129.923	53.478	183.401	(46)
(47)	Adjusted Surplus / (Deficit)	\$ (149.733)	\$ (260.737)	\$ (410.470)	\$ (406.695)	\$ (817.165)	\$ (305.912)	\$ (1,123.077)	(47)
(48)	Beginning Fund Balance	\$ 1,710.582	\$ (235.146)	\$ 1,475.436	\$ (418.718)	\$ 1,056.718	\$ (118.527)	\$ 938.191	(48)
(49)	Surplus / (Deficit)	(149.733)	(260.737)	(410.470)	(406.695)	(817.165)	(305.912)	(1,123.077)	(49)
(50)	Long-Term Receivables Reserve	(85.413)	77.165	(8.248)	706.886	698.638	(711.480)	(12.842)	(50)
(51)	Available Fund Balance	\$ 1,475.436	\$ (418.718)	\$ 1,056.718	\$ (118.527)	\$ 938.191	\$ (1,135.919)	\$ (197.728)	(51)

Investing in Strengthening the County Healthcare Workforce

Board Motion Report September 2025



Overview

Board Motion 4/19/22 – Investing in Strengthening the County Health Care Workforce

- Directive #1: 19 Directives to **Modernize and Model Effective Recruitment, Hiring and Retention**

Healthcare Workforce Specific

- Total Compensation Design/Salary Step Placement Authority (SSP) (1)
- Overfill & Unlike Placement Authority on Budgeted Items (OPA) (17)
- Classification Management (14 - 16)
- Rehire Authority (9)
- Increase HR Staffing for Health Depts (12)
- Re-envision County Mandated Training (19)

Modernize & Model Effective Approaches

- Compensation Design, Targeted Incentives & Flexible Workforce Shortage Rates (2-5)
- Civil Service and Streamlining County hiring process (7, 8, 10 & 11)
- Eligible List Utility, New Class Series, Appropriate Specialties (7, 15 & 16)
- Process Improvements (8, 13 & 14)
- Backfill Authority (18)
- Expand PLACE (6)

Health Departments Vacancy Snapshot

**Hiring authority will be impacted by fiscal challenges in FY25-26*

<div>DHS</div> <div>Department of Health Services</div> <div>Budgeted Positions</div> <div>Vacancy Rate 13.6%*</div>	<div>DMH</div> <div>Department of Mental Health</div> <div>Budgeted Positions</div> <div>Vacancy Rate 20.1%</div>	<div>DPH</div> <div>Department of Public Health</div> <div>Budgeted Positions</div> <div>Vacancy Rate 15.0%*</div>
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Health Services Hiring Freeze July 2025

- Due to rising costs and federal revenue cuts, DHS is facing a budget crisis. As a result, **DHS implemented a hiring freeze effective July 18, 2025.**
- The federal administration's 'Big Bill' is a devastating blow to the health system. In total, the federal government has delivered \$280M worth of revenue cuts in DHS' current 2025-2026 fiscal year, a number that will grow over the next three years to \$750M per year as a result of the new bill.
- Every year, the cost of medical supplies, the cost of pharmaceuticals, and the cost of labor goes up. Instead of providing additional resources to keep pace with even minimal levels of inflation, the Big Bill has slashed Medicaid funding, directly hurting health systems which focus on providing care to low-income populations.
- DHS has already been taking action to reduce costs wherever possible, limiting hiring on management positions, reducing registry, limiting non-essential purchases, and freezing non-essential travel and training, among other steps.
- By implementing a hiring freeze, DHS' goal is to minimize the impact of future reductions to patients and workforce members.
- The hiring freeze applies to DHS' four hospitals (LA General, Harbor, Olive View, Rancho), the Ambulatory Care Network, and Health Services Administration.
 - A position deemed essential for hire will need to be approved by facility executive leadership first and then receive executive management approval at the system level in order to be hired on during the freeze.
 - Correctional Health Services, Juvenile Court Health Services, and Community Programs are not subject to this hiring freeze as they are funded with County funds and other revenue streams that are not directly threatened at this time.
- While hiring volume is expected to decrease, modernization of County rules and continued efficiencies in personnel practices remain a priority for DHS.

Current Budgetary Constraints

Department of Public Health

- Current Vacancy Rate: 15%
- DPH implemented a soft hiring freeze June 2025
- To partially fund the AB218 settlement and the anticipated COLAs, DPH implemented the countywide 3% cut during the Recommended phase and 5.5% during the Supplemental phase.
- DPH is facing fiscal challenges that could impact our ability to effectively deliver critical services to the residents of the County.
- Approximately eighty-six percent (86%) of the department's budget is derived from non-net County cost revenue sources.
- Seventy-one percent (71%) or approximately \$1.3 billion of which comes from federal and state revenue sources.
- The current federal administration has indicated that it intends to realign funding and reduce the budget of the United States Department of Health and Human Services (HHS), which is the principal source of funding for our operations.
- These budget reductions could impact a wide range of core functions including disease surveillance and response; food, water, and environmental safety; health promotion programs; and emergency preparedness.
- While there is still a great deal that we do not know, never has Public Health faced as many threats to its funding simultaneously.
- For this reason, we are proceeding cautiously with hiring moving forward in areas where critical service deliverables must be met, while pausing in less urgent areas until we have greater clarity around our funding outcomes

Health Departments Hiring Snapshot

FY24-25 (Q2, Q3 & Q4)

Personnel Transactions Q2: Oct 1 to Dec 31, 2024	DMH	DHS	DPH
New Hire	124	528	70
Rehire	30	103	15
Promotion	167	480	110
Voluntary Reduction	15	16	9
Change of Class	20	38	10
Restoration	3	3	0
Transfer	6	76	13
Sub-Title Change	2	30	0
Total	367	1274	227

Personnel Transactions Q3 & Q4: Jan 1 to June 30, 2025	DMH	DHS	DPH
New Hire	339	1512	195
Rehire	79	184	63
Promotion	422	789	264
Voluntary Reduction	16	37	10
Change of Class	48	76	35
Restoration	3	2	0
Transfer	15	198	20
Sub-Title Change	4	44	0
Total	926	2842*	587

*DHS experiences an expected hiring/attrition spike at the end of each FY related to Physician Post Grad programs.

Health Departments Hiring Fairs

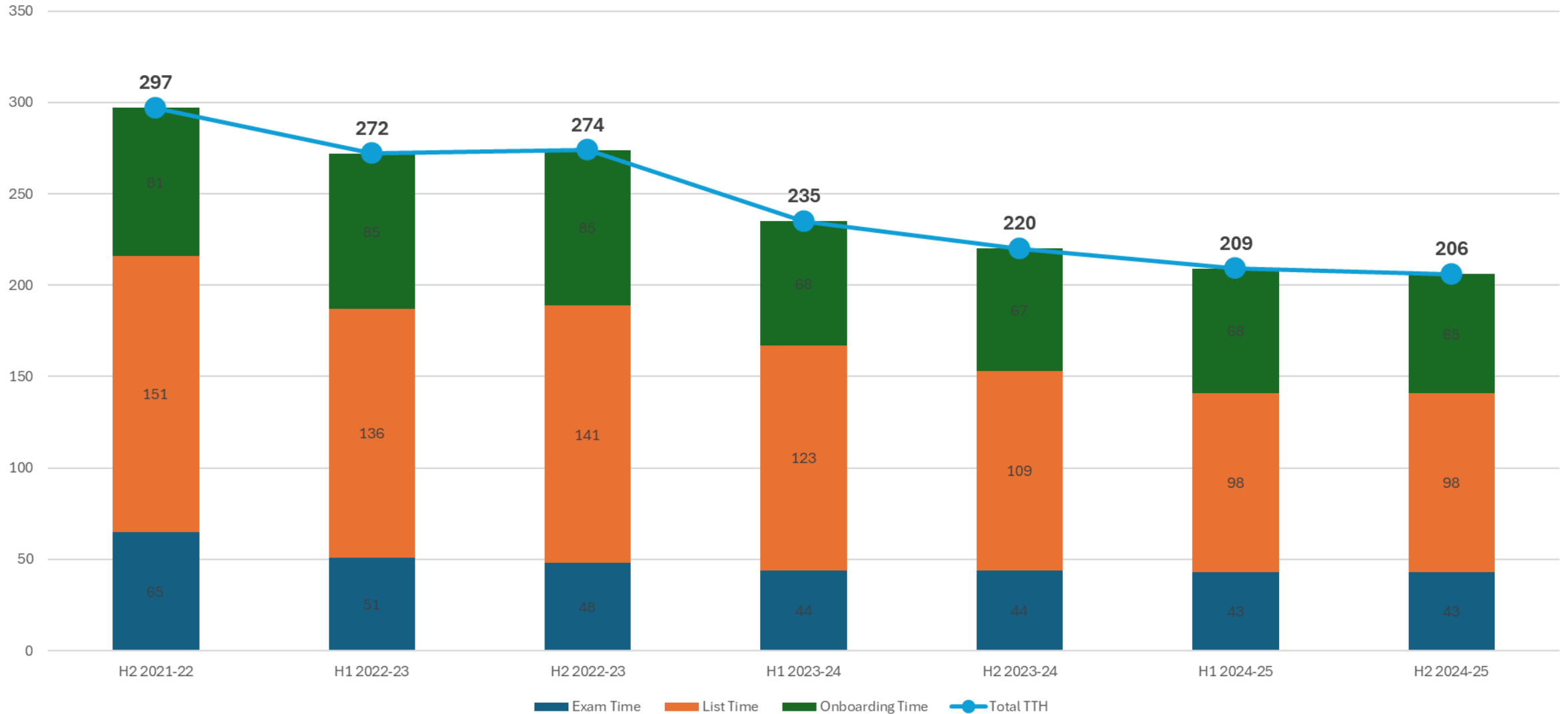
FY24-25 (Q3 & Q4)

Hiring Fairs Q3 & Q4: January 1 to June 30, 2025	DMH	DHS	DPH
Total Events	11	15	8
Total Attendees	378	576	116
Total Offers	155	328	96
Total Hires	137	226	64
Top Classifications	Psychiatric Social Worker Community Health Worker Mental Health Clinician I PLACE – Intermediate Clerk & Mental Health Advocate	Nursing Attendant I Intermediate Clerk Custodian	Youth Educator Administrative Aid Environmental Health Specialist I Health Facilities Evaluator, Nursing

Trending Time To Hire

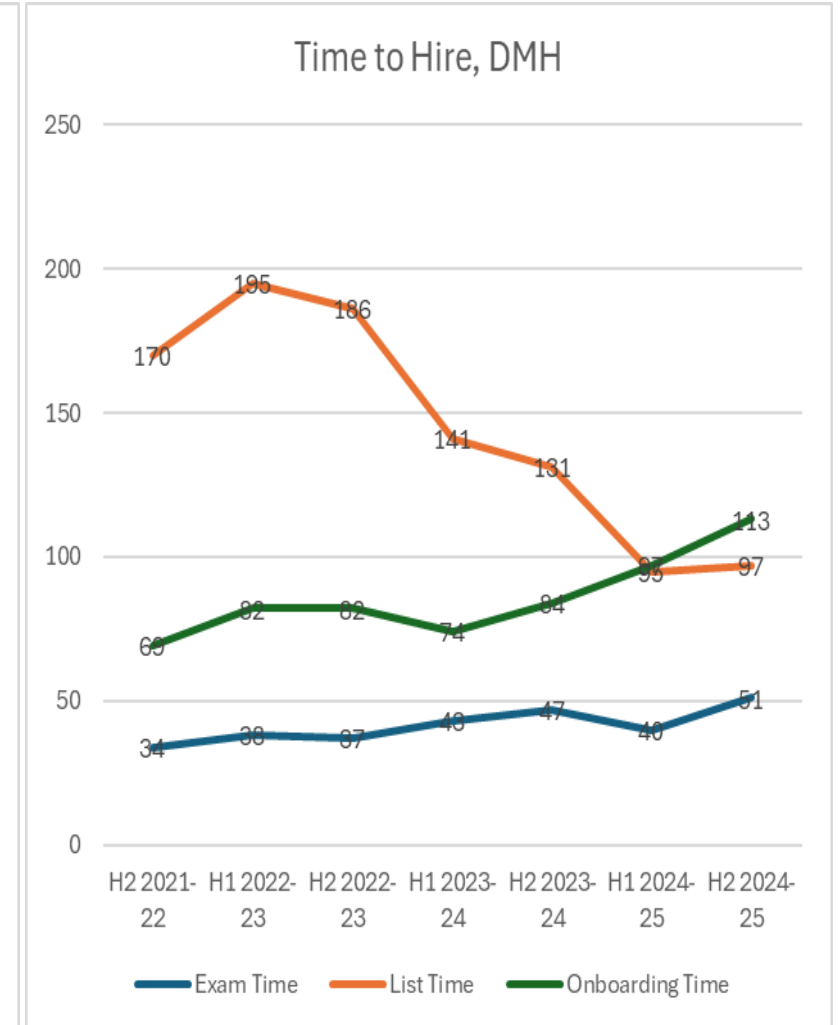
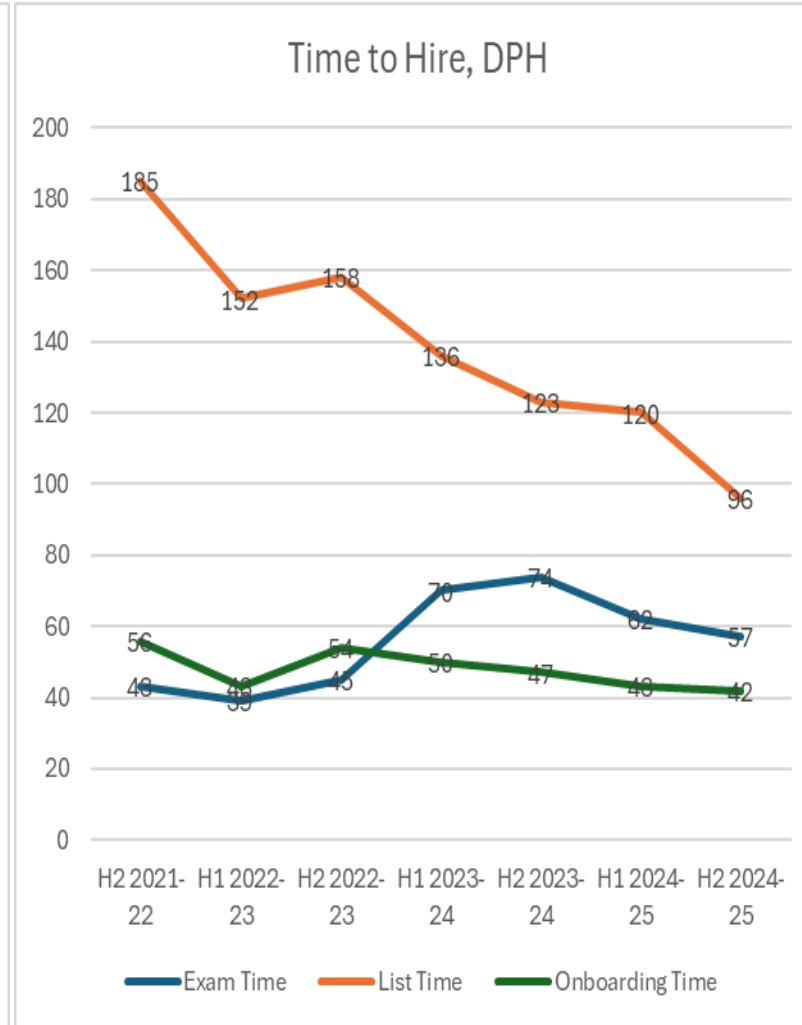
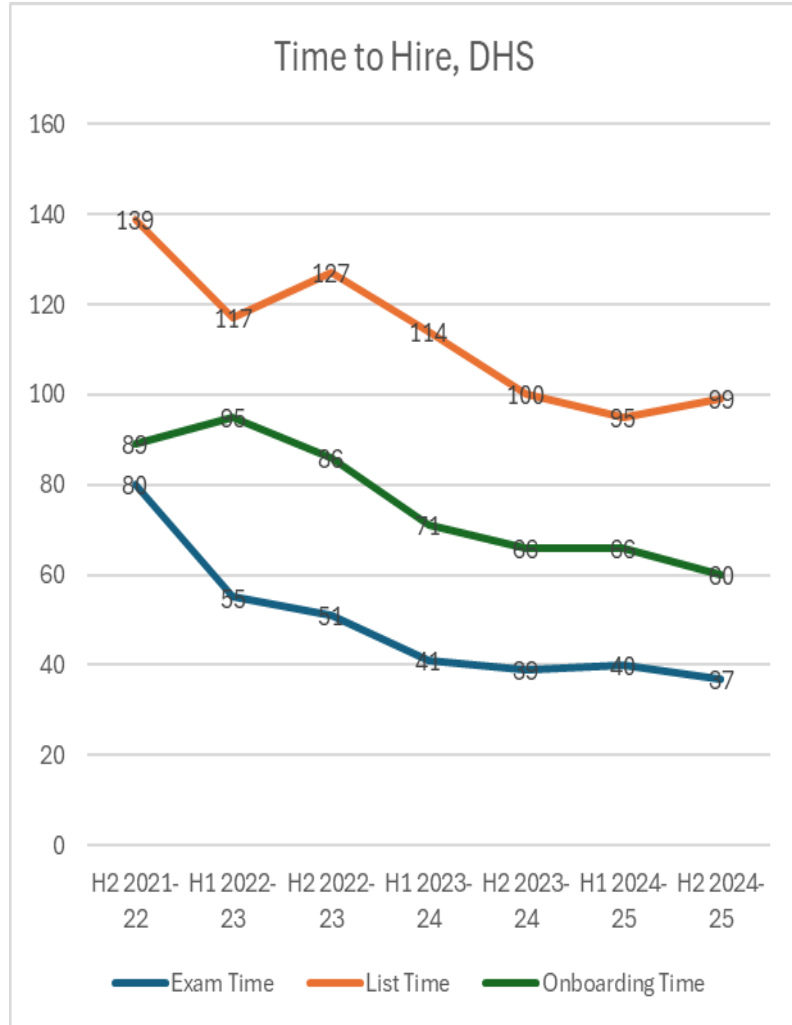
(Applicant Point-of-View)

Time to Hire, Health Departments



Trending Time To Hire by Department

(Applicant Point-of-View)



Health Department Attrition Snapshot

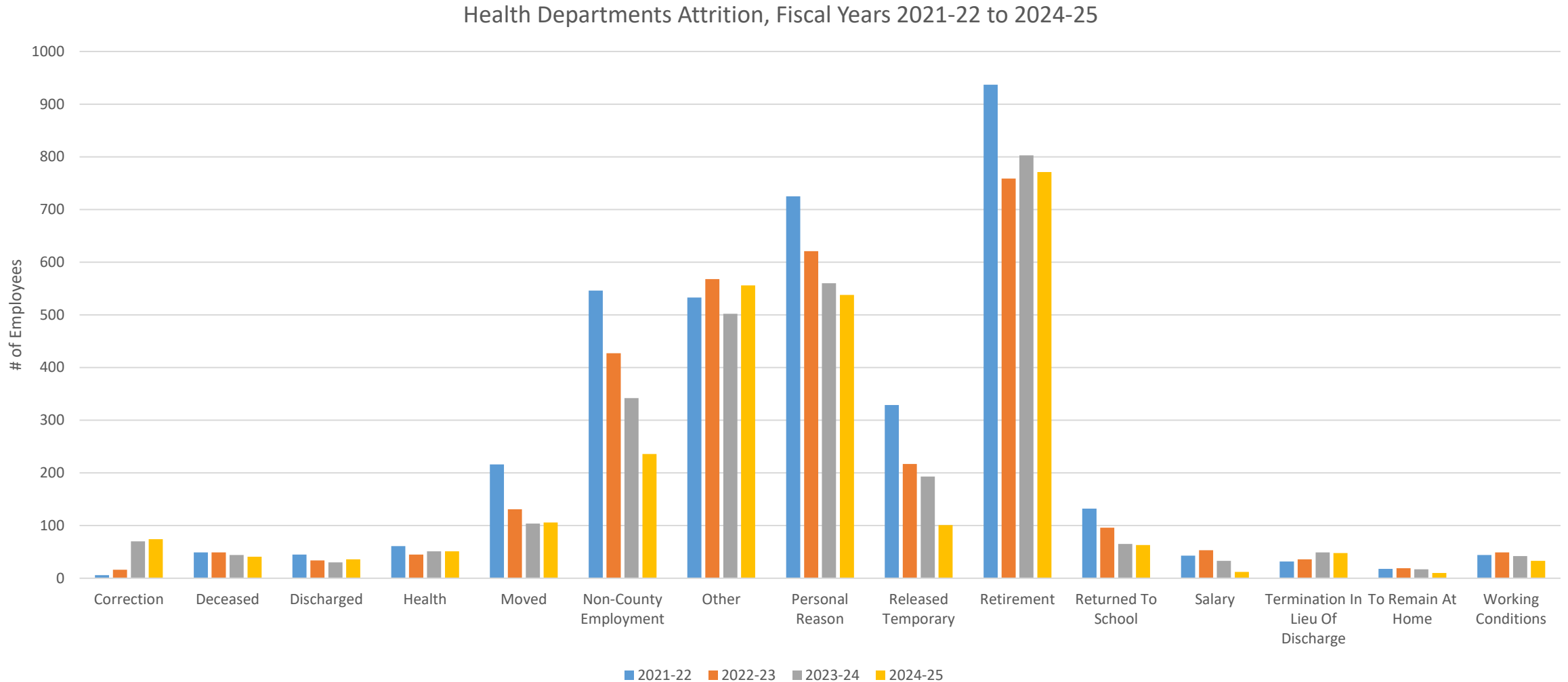
FY24-25 (Q2, Q3 & Q4)

Attrition Q2: Oct 1 to Dec 31, 2024	DMH	DHS	DPH
Retirements	23	101	27
Personal Reasons	1	120	12
Non-County Employment	6	38	6
Released Temp	2	8	5
Other (County Code "Other")	30	3	11
Total	62	270	61

Attrition Q3 & Q4: January 1 to June 30, 2025	DMH	DHS	DPH
Retirements	59	340	86
Personal Reasons	6	208	28
Non-County Employment	20	82	18
Released Temp	13	14	33
Other (County Code "Other")	70	65	27
Total	168	709*	192

*DHS experiences an expected hiring/attrition spike at the end of each FY related to Physician Post Grad programs.

Historic Attrition Reasons, 2022-25



Classification and Compensation

OPA and SSP Delegated Authority Data

OPA/Position Authority Delegated From CEO						
Department Positions			Positions/Classes Approved to Date			Cumulative Transactions
Dept.	Total Positions FY 24-25 Adopted		Total Positions/Classes		Total % of Dept Pos./Classes	Total By Department
	Pos.	Classes	Pos.	Classes		
DHS	31,118	857	21,898	472	70%/55%	6,781
DMH	7,962	243	5,846	96	73%/40%	258
DPH	5,842	408	3,435	123	59%/30%	177
Total	44,922	1.508	31,179	691	69%/46%	7,216

Special Step Placement (SSP) Authority Delegated From CEO						
Department Positions			Approved to Date			Cumulative Transactions
Dept.	Total Positions FY 24-25 Adopted		Total Positions/Classes		Total % of Dept Pos./Classes	Total by Department
	Pos.	Classes	Pos.	Classes		
DHS	31,118	857	17,739	404	57%/47%	1,805
DMH	7,962	243	3,588	48	45%/20%	250
DPH	5,842	408	3,101	105	53%/26%	301
Total	44,922	1.508	24,428	557	54%/37%	2,356

Classification and Compensation (continued)

Department & Program		Scope	Completion Date
DHS	Health Services Administration – Fiscal Services	Review and restructure of 113 positions to centralize General Accounting and Contract Invoice Processing.	Fall 2025
	Health Services - Departmentwide	Review and restructure of 38 Radiology Technologist and Supervising Radiologic Technologist positions to the new Mammography Series. Several OPAs were approved as a result.	Fall 2025
	Health Services Administration – Centralized Cost Reporting	Review and restructure of 44 positions to centralize State and federal Cost Reporting and Reimbursement. One OPA was approved as a result.	Winter 2025
DMH	Reorganizations	Phase II of the Human Resources Bureau	March 2025
		Reorganization Office of the Medical Director and Reclassified to 5 Chief Mental Health Psychiatrists	March 2025
		Clinical Informatics	June 2025
		Risk Management Section	June 2025
		Phase II of the Financial Services Bureau	Fall 2025
	Mental Health Program Manager Series Review	Transition classifications into MAPP, enabling the department to restructure and streamline management functions and respond more efficiently to board initiatives.	Fall 2025

Recruitment/Retention

New State Healthcare Worker Minimum Wage

In October 2023, Governor Newsom signed into law SB 525 creating a new minimum wage requirement specific to health care workers.

- January 1, 2025 - \$23 per hour for health care workers and 1.5 times the minimum wage (\$34.50 per hour) for FLSA exempt health care workers.
- July 1, 2025 - \$24 per hour for health care workers and 1.5 times the minimum wage (\$36.00 per hour) for FLSA exempt health care workers.
- 159 classifications assigned to the health departments received adjustments.
 - Any incumbents holding these titles who are assigned outside of the health departments also received adjustments.
- Additional 99 classifications not assigned to the health departments received similar adjustments to ensure pay equity for employees performing similar duties and responsibilities across the County.
- In total, 6,188 employees received salary increases up to at least \$24 per hour effective July 1, 2025.
- Future implementation dates :
 - **July 1, 2026:** \$25 per hour for health care workers (\$37.50 per hour for FLSA exempt health care workers).

Streamline Hiring

Modernize Civil Service Rules Governing the Examination Process

DIRECTIVE 8 - Accelerate DHR's initiative to streamline the County's hiring process and modernize the County Civil Service Rules governing the examination process for hiring.

- DHR has drafted **significant proposed changes to Civil Service Rules** governing recruitment, examining, and hiring functions at the County.
 - Will require **Board approval**
 - Negotiations with **Labor** ongoing
 - Proposed revisions include:
 - Changes to **scoring** and **banding/grouping** processes to ensure greater opportunities for candidates and hiring managers
 - **Removal of testing barriers** for positions identified by the Director of Personnel.
 - Expedites candidate processing and hiring
 - Expanded opportunities for temporary and recurrent employees to **qualify for permanent employment**, and
 - Many additional changes to **reflect modern HR practices**.

Streamline Hiring/Modernize Rules

MILESTONE	DATE
<p>Present proposed revisions to the County’s labor partners and begin negotiations</p> <ul style="list-style-type: none">• CSR 6 – Applications and Applicants• CSR 7 – Competitive Examinations• CSR 8 – Noncompetitive Examinations• CSR 10 – Eligible Lists• CSR 11 – Certification and Appointment	Fall 2023-early 2024 Negotiations ongoing
<p>Conclude labor negotiations</p> <ul style="list-style-type: none">• DHR is in active negotiations with County labor organizations.• County delivered third round of counterproposals to labor on December 17, 2024. Next negotiation meetings scheduled March 3, 2025 (CCU) and proposed for early March 2025 (SEIU).	Est. Fall 2025
<p>Present revised CSRs to the Board of Supervisors for approval</p> <ul style="list-style-type: none">• Work with County Counsel to draft an Ordinance• Two (2) readings on Board’s Agenda and, if the Board approves, the revisions to County Code/CSRs will be finalized.	Est. Winter 2025

Innovative Hiring Initiatives & Processes

Emergency Hiring

- Allows for immediate appointment of job applicants without an initial exam
- Requires nexus to an emergency
- Time to Hire 89 days (vs 206 for traditional recruitments)
- 1,522 hires to-date (as of 7/14) across the Health Depts

Artificial Intelligence in Hiring Interviews

- Using AI to summarize candidate interview responses
- Hiring managers can quickly review summarized responses to identify promising candidates
- DMH making use of this technology in a variety of clinical, IT, and administrative recruitments
- Currently evaluating pilot data, particularly regarding accuracy and usefulness

Early Job Offers

- Allows for contingent job offers to be made to candidates who have not yet earned a degree/credential/license.
- DHR has approved 72 requests since FY23-24.
- DHR and Health Departments will review priority needs for additional roles.
- New evaluation tool to be introduced, simplifying approval

Dual Language Examinations

- Post job opportunities and conduct examinations, in language(s) other than English
- Casts a wider net, with more available candidates, for jobs that do not require high English proficiency
- Pilot recruitment for Custodians at DHS completed

Health-Specific Clerical Recruitment

- Departmental recruitment independent of centrally-administered exams
- More flexibility in recruiting for health-specific roles
- 159 hires from 581 eligible candidates

Recruitment Pipelines and PLACE

Nursing Attendant I Pipeline

- Since Spring of 2024, DEO has trained 363 Certified Nursing Assistants (CNA) candidates to participate in the opportunity to apply for the Nursing Attendant I (NA I) position at one of the four DHS hospitals, Harbor UCLA, LA General, Olive View, or Rancho Los Amigos. DEO and DHS have coordinated 8 Hiring Fairs for these candidates, which have resulted in 213 new permanent County employees.
- DEO trained another cohort of 19 CNA candidates who were scheduled to take their State exam on 07/23/2025. A DHS Hiring Fair was held on 8/13/25, with 15 CNA candidates selected and provided contingent job offers.

Central Services Technician Pipeline

- DEO recruited 9 candidates to train and then apply for the Central Services Technician I (CST I) position. Out of the nine (9) candidates who completed training, four (4) candidates applied and were hired by DHS in FY24-25.


PLACE

- PLACE supports County residents from economically disadvantaged areas, people experiencing homelessness or housing insecure, transitioned aged youth and system-impacted individuals in securing entry-level permanent County positions. The program has been used to train job candidates for various Health Department roles, such as: Custodian, Unit Support Assistant, Mental Health Advocate, Community Health Worker, Intermediate Typist-Clerk, Intermediate Clerk.
- DEO partnered with DHS on an Intermediate Clerk Cohort in the Fall of 2024. There were 22 enrollments and 16 completed the program. 12 candidates passed the Civil Service exam with 10 hires made through the end of FY 24-25.



Introducing New AI Summary Feature for Video Interviews

Johan Julin, Ph.D.
Chief Hiring Strategist



Modernizing Hiring Through Innovation

- The Strategic Hiring Division is transforming how the County hires by introducing tools that improve speed, consistency, and decision-making.
- As part of that effort, the AI Summary feature for video interviews is currently being piloted in select departments, with broader rollout planned.



From Interview to Insight

- After the interview, the system generates:
 - **AI Summary** – Synthesizes key points from the candidate's interview response.
 - **AI Confidence Score** – Rates how accurately the summary reflects the interview response.
- Both are available at the question and overall interview level, giving raters a quick, reliable snapshot before viewing the video.



Understanding the AI Summary



Converts spoken responses into text in real time, capturing every word and accommodating accents, natural speech, and varying speeds.



AI reviews the transcript to generate a clear summary of key points, giving raters a quick, accurate snapshot without needing to watch the full video.



Understanding the AI Confidence Score



The score is built from four key elements, each weighted equally:

Textual Overlap – Does the summary mirror the candidate's tone and phrasing?

Key Concept Matching – Are the candidate's main points and priorities included?

Factual Consistency – Is the summary accurate, without distortion or error?

Gap Analysis – Is any critical content missing or artificially added?



Help ensure every summary meets a standard of trust and quality.



Example AI Summary and Confidence Score



Can you describe a situation where you had to deal with a difficult team member? How did you resolve it?

Summary

- The candidate dealt with a difficult team member who was consistently missing deadlines.
- The candidate had a straightforward conversation to understand the team member's difficulties.
- They offered support and modified the team member's workload.
- They set up regular check-in meetings to monitor progress.
- Implementing these changes led to improvements in the team member's performance and increased the team's overall productivity.

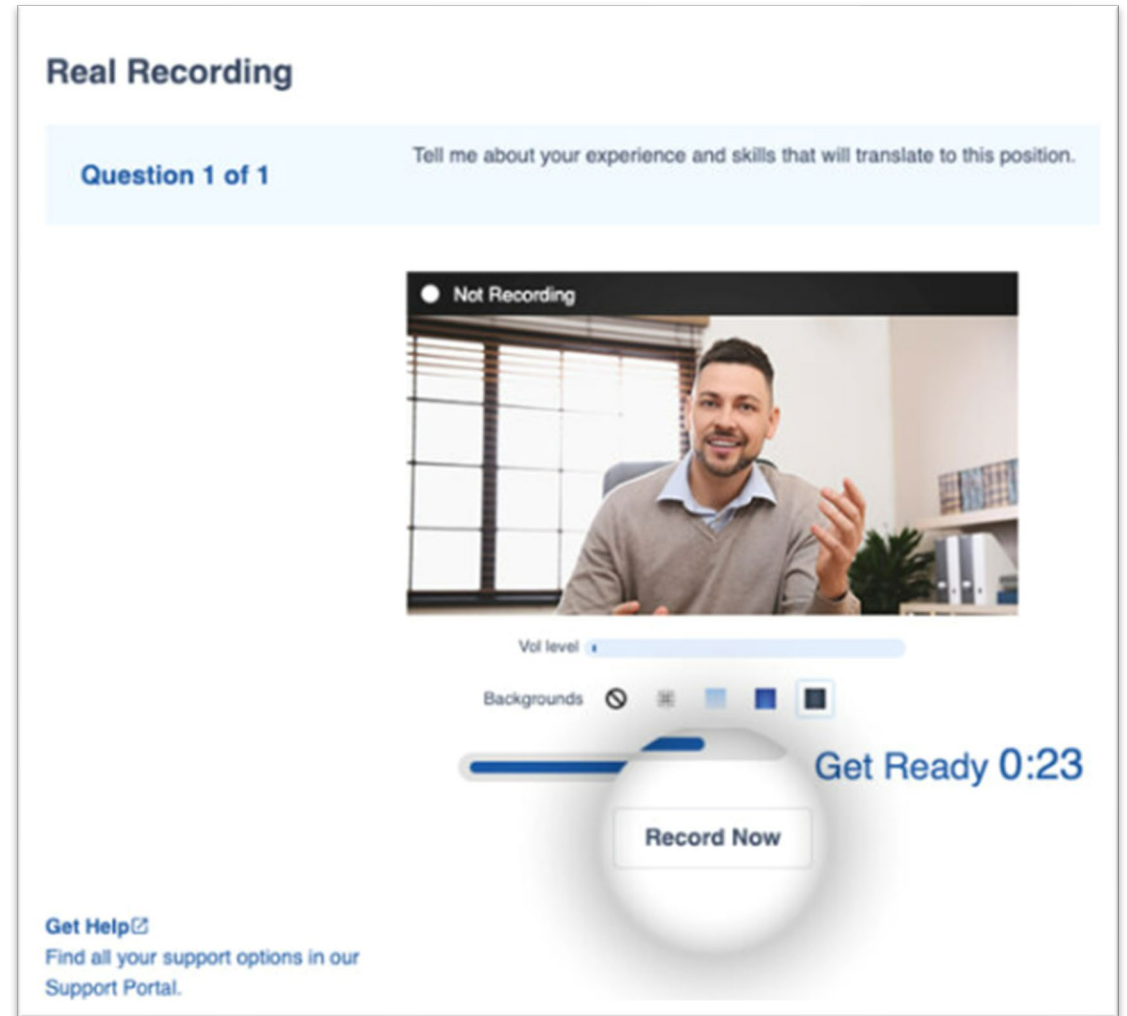
- AI CONFIDENCE SCORE : ★★★★★ 96%

	SCORE	MAX AVAILABLE
TEXTUAL OVERLAP	22	25
KEY CONCEPT MATCHING	25	25
FACTUAL CONSISTENCY	25	25
GAP ANALYSIS	24	25
	96	100



Try It Yourself

- If you're interested, we can provide a demo link and a simple step-by-step guide to walk you through both perspectives:
 - **Candidate Experience** – Record a brief, 3-question video interview.
 - **Rater Review** – Log in to view your AI Summary, Confidence Score, and full video interview.





Questions?

For follow-up, please contact:

- Johan Julin, jjulin@hr.lacounty.gov
- Strategic Hiring Division, DHRStrategicHiring@hr.lacounty.gov



Future Reports

Next Report

February 2026 (Biannual presentation covering Q1/Q2)

Appendix A

BOARD MOTION LINK: [Here](#)

Additional Directives:

Directive #2: Direct the Director of DHR and the Executive Director of the Economic Development Branch of WDACS, in consultation with the Alliance for Health Integration (AHI), to work with the Los Angeles County Community Colleges and Workforce System to develop a career development program for training and onboarding into the County's appropriate critical vacancies in health positions.

Directive #3: Direct the CEO, in coordination with the Director of DHR and AHI, to develop and publish a live dashboard that makes real-time data on hiring progress publicly available.

Directive #4: Direct the CEO, through her Legislative Affairs and Intergovernmental Relations Branch, to support and advocate for policy proposals that incentivize students to pursue careers in allied health, health and mental health care and to facilitate the development of a diverse pipeline of workers from the local community, including those who have a background with the criminal justice system.

Appendix B

County Termination Codes and Descriptions

eHR Termination Descriptions

Standard Termination Codes

20	Termination - Non-County Employment	Termination from county service because the employee has found employment elsewhere.
21	Termination - To Remain at Home	Termination from county service because the employee has chosen to remain at home.
22	Termination - Moved	Termination from county service because the employee has reported they have moved from the area.
23	Termination - Personal Reason	Termination from county service when the employee states 'personal reason.'
24	Termination - Health	Termination from county service when the employee cites a health-related reason for leaving county employment.
25	Termination - Working Conditions	Termination from county service when the employee cites unsuitable working conditions as a reason for leaving county employment.
26	Termination - Salary	Termination from county service when the employee cites insufficient salary as a reason for leaving county employment.
27	Termination - Returned to School	Termination from county service when the employee indicates a return to school as the reason for leaving county employment.
28	Termination - Maternity	Termination from county service when the employee cites maternity as a reason for leaving county employment.
30	Termination - Released Temporary	Termination from county service when a temporary employee is released at the end of the temporary work assignment for which they were hired. Relevant for item subs: C, F, G, J, M, & O.
32	Termination - Deceased	Termination from county service due to the employee's death while in service.
34	Termination - Failed Medical Exam	Use to record a termination from county service when an employee fails the medical exam. This termination code applies if an employee is granted provisional authority to work & subsequently fails to pass the medical exam or comply with the conditions established at the time of hire. (no longer in use)
35	Termination - Recurrent Release	Termination from county service when a recurrent employee is temporarily released at the end of seasonal employment. In accordance with Civil Service Rule 14.02(C) use of the termination code allows the individual to

Click on image
to open eHR Termination Codes
and Descriptions

HALT

Health Authority Law Enforcement Taskforce

Departments working together to
keep the citizens of Los Angeles
County safe from Healthcare
related crimes.



Health Serv
LOS ANGELES C



HALT

Health Authority Law Enforcement Taskforce

Created by the Board of Supervisors in 1999 because of the rise of illicit pharmaceuticals in Los Angeles County. HALT's mission is to focus on Healthcare related crimes as well as administrative investigations, in order to keep Los Angeles County citizens safe from unlicensed medical providers, counterfeit/misbranded medication and all other health care related cases.

Investigations

- Underground and unlicensed practice of medicine and dentistry
- Illegal manufacturing and distribution of illicit pharmaceuticals
- Counterfeit/Misbranded and diverted pharmaceuticals
- Overprescribing controlled medication by physicians
- "Med Spas" or other providers performing services out of their scopes of licenses
- Medical provider fraud (Medi-Cal, Medicare)
- Investigation of corrupt Los Angeles County Health employees
- Prescription fraud
- Identity theft investigation of physicians and pharmacists

HALT

Evolution of the team

1999-2009: 13 Personnel

7 LASD, 2 DHS, 2 LAPD, 1 DHCS, 1 OIG

2010-2015: 9 Personnel

4 LASD, 2 DHS, 1 LAPD, 1 DHCS, 1 OIG

2015-2020: 8 Personnel

4 LASD, 2 DHS, 1 DHCS, 1 LAPD

2020-2022: 7 Personnel

4 LASD, 2 DHS, 1 DHCS

2023-2025: 5 Personnel

3 LASD, 2 DHS



Health Services
LOS ANGELES COUNTY



CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES



HALT

Statistics

HALT's Past 3 years Statistics (Fiscal Years July 1 to June 30)

	Cases	Arrests	Illicit Pharmaceuticals Seized	Value of Seized Pharmaceuticals	Medi-Cal Insurance Fraud Amount	Business Closures	Assists with other Agencies
22-23	74	32	37,693*	\$336,584	N/A	28	26
23-24	64	23	108,533*	\$337,333	N/A	20	25
24-25	77	30	43,697*	\$402,741	\$1,540,000	27	31
Total	225	85	189,923*	\$1,103,658	\$1,540,000	75	82

***For every illicit pharmaceuticals seized is equivalent to a potential LA County citizen becoming ill, hospitalized and/or deceased.**

In addition to working HALT led cases. Several other agencies rely on HALT to assist with their investigations. If HALT could not assist the other agencies, they would be unable to complete their investigations. HALT assists the following agencies: CA DOJ, DEA, FBI, USHHS-OIG, DCA, CA Medical Board, Dental Board, Board of Pharmacy, US Customs, FDA, Board of Cosmetology, National Insurance Crime Bureau, and more.

Important Cases Over the Past 3 Years

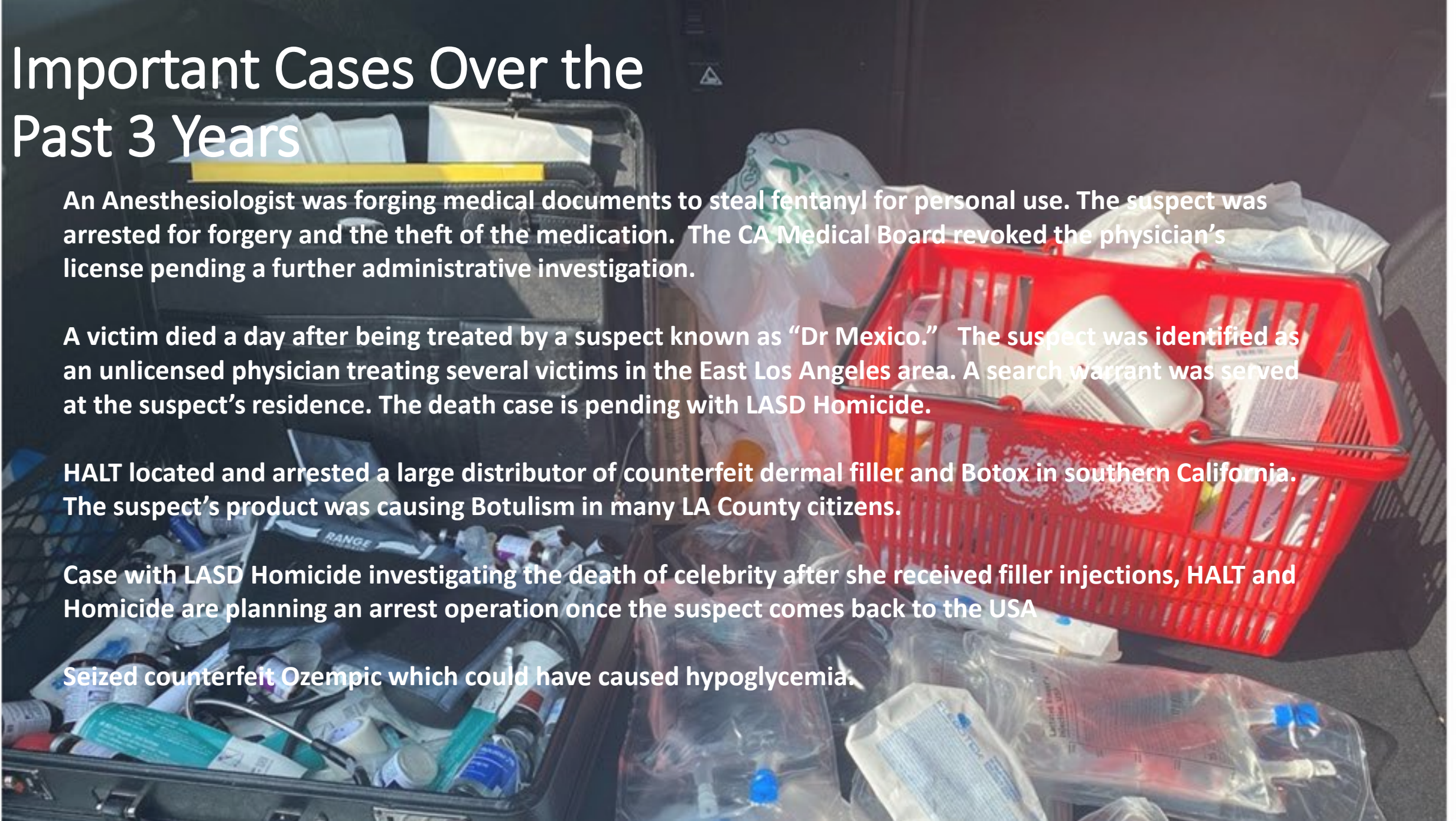
An Anesthesiologist was forging medical documents to steal fentanyl for personal use. The suspect was arrested for forgery and the theft of the medication. The CA Medical Board revoked the physician's license pending a further administrative investigation.

A victim died a day after being treated by a suspect known as "Dr Mexico." The suspect was identified as an unlicensed physician treating several victims in the East Los Angeles area. A search warrant was served at the suspect's residence. The death case is pending with LASD Homicide.

HALT located and arrested a large distributor of counterfeit dermal filler and Botox in southern California. The suspect's product was causing Botulism in many LA County citizens.

Case with LASD Homicide investigating the death of celebrity after she received filler injections, HALT and Homicide are planning an arrest operation once the suspect comes back to the USA

Seized counterfeit Ozempic which could have caused hypoglycemia.



HALT

Budget

The budget for HALT has been the same for the past 15 years at 1.5 million dollars. Due to the rise of salaries/benefits over the past 15 years and with no increase in funds, HALT has unfortunately decreased from 12 Investigators to 3 Investigators and need to use overtime to help with staffing for HALT operations.

HALT LASD Budget Breakdown \$1,000,000				HALT DHS Budget Breakdown \$500,000	
Salaries/Benefits	Positions	Vehicles	Overtime	Salaries/Benefits	Positions
\$738,972	(2) B-1 Detectives (1) Sergeant	\$18,000	\$243,028	\$500,000	1 Pharmacist 1 Health Officer



HALT Rising Trends

Counterfeit/Misbranded Pharmaceuticals

- Foreign pharmaceuticals
- Ozempic – Label changes

Illegal Medical Spas -Unlicensed Medical Procedures:

- Surgeries, injections, fillers, etc.
- Social media posts/advertisements appears to be directly related to the increase in cosmetic procedures.

Insurance/Medi-Cal Fraud



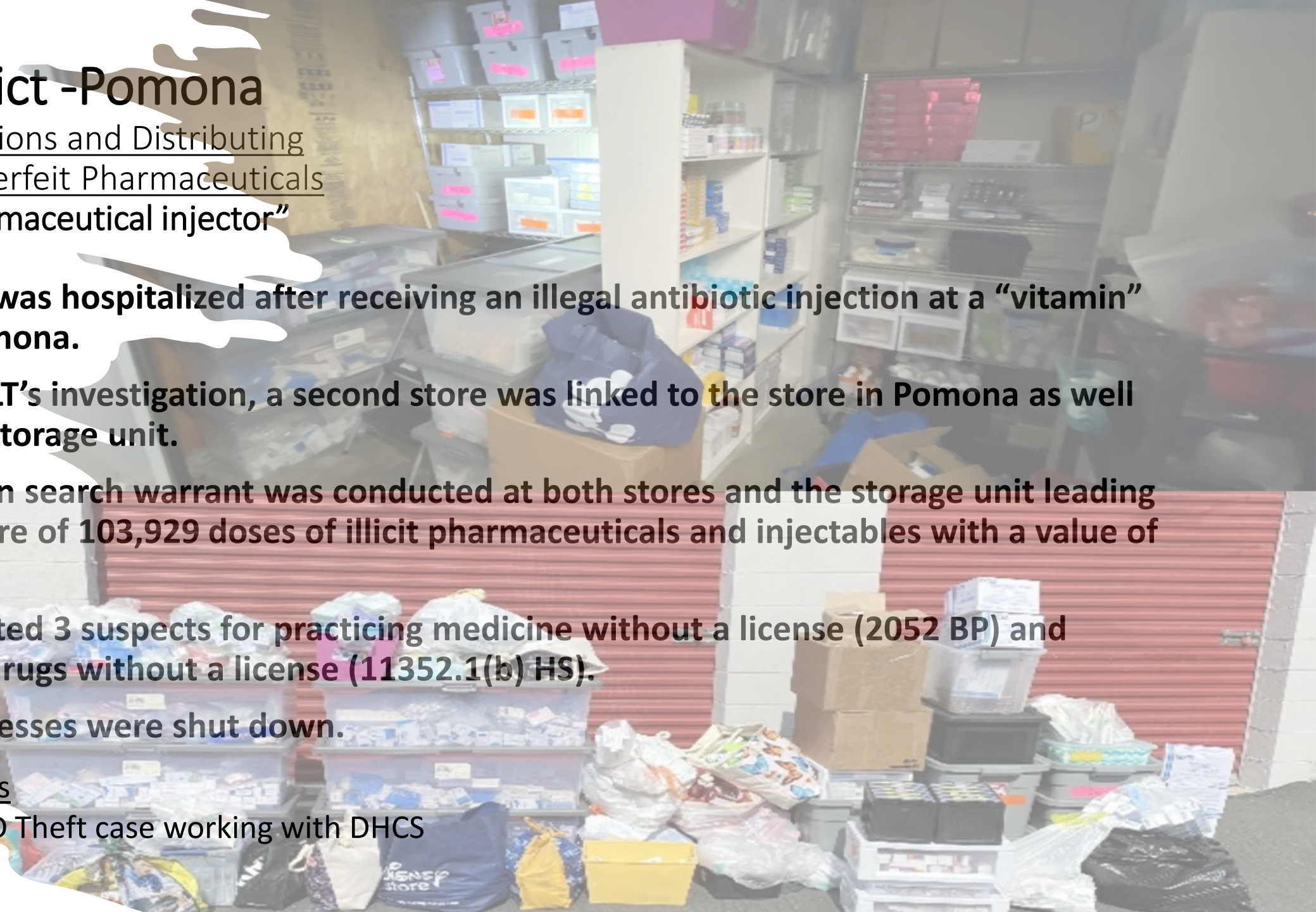
1st District -Pomona

Illegal Injections and Distributing
Illicit/Counterfeit Pharmaceuticals
“Illegal pharmaceutical injector”

- A juvenile was hospitalized after receiving an illegal antibiotic injection at a “vitamin” store in Pomona.
- During HALT’s investigation, a second store was linked to the store in Pomona as well as a larger storage unit.
- A 3-location search warrant was conducted at both stores and the storage unit leading to the seizure of 103,929 doses of illicit pharmaceuticals and injectables with a value of \$240,362.
- HALT arrested 3 suspects for practicing medicine without a license (2052 BP) and furnishing drugs without a license (11352.1(b) HS).
- Both businesses were shut down.

Open District Cases

- Medi-Cal Fraud/ID Theft case working with DHCS



2nd District-Koreatown

Major illicit Pharmaceutical Distributor
“AB World”

- The CA Board of Pharmacy requested HALT’s assistance with an investigation into a possible illegal “Botox” and filler distributor who was shipping to Nevada.
- By conducting several search warrants and surveillances at other businesses receiving the pharmaceuticals from the distributor, HALT was able to locate the distributor’s exact location.
- HALT served a search warrant at the distributor’s main office and seized a large quantity of illicit pharmaceuticals, “Botox”, and cosmetic injectable fillers.
- HALT arrested the suspect for furnishing medicine without a license (11352.1(b) HS).
- The business was closed, and an administrative investigation was opened with the CA BOP

Open District Cases

- A business selling counterfeit/misbranded pharmaceuticals from Korea

3rd District-Van Nuys

Illegal Medical Spa "Ell@'s Med Spa"

- HALT investigators conducted a drive by of a business which raised suspicions based on experience with illegal medical spas.
- During the investigation, HALT determined the owner and operator of the business was not a licensed medical provider.
- An undercover operation was conducted at the business. The suspect gave a medical consultation to the UC stating she was going to administer several injections to the UC.
- A search warrant was conducted at the business, and the suspect was arrested for practicing medicine without a license. (2052 BP)
- In addition to the seized illicit pharmaceuticals, HALT seized medical equipment.
- The suspect admitted she knew she was not licensed to perform the procedures she was offering.
- The business was shut down.

Open District Cases

- Several illegal med spas in the San Fernando Valley
- "Casa Luxe," and 3 more identified.



4th District -Wilmington

Unlicensed Medical Provider

“Face Beauty Elements”

- HALT’s proactive search of social media platforms identified a suspect, without a medical license, performing medical procedures out of her residence.
- HALT conducted an undercover operation. Once the suspect gave a medical consultation, HALT investigators served a search warrant at the residence.
- A large number of illicit pharmaceuticals were seized, and the suspect was arrested for practicing medicine without a license (2052 BP)

Open District Cases

- Unlicensed Physician's Assistant operating an illegal medical spa



5th District-Temple City

Unlicensed Physician

“Dr. Mexico”

-HALT received a complaint of a person who died of unknown causes a day after being treated by a “doctor”. The suspect was identified as an unlicensed physician treating several victims in the East Los Angeles area. The unlicensed physician called himself “Dr. Mexico” and was known for making daily house calls, while performing several medical procedures in the patients' residences or his own vehicle.

-HALT conducted several surveillances which revealed many patients receiving medical treatments in the backseat of his vehicle.

-A search warrant was served at the suspect’s residence. HALT seized a large amount of new and used stolen medical equipment, illicit pharmaceuticals, vials filled with blood and urine, and other medical supplies.

-HALT arrested the suspect for practicing medicine without a license (2052 BP) and prescribing medicine without a license (11352.1(b) HS).

Open District Cases

-Illegal Pharmacy involved in purchasing and distributing counterfeit medications

HALT

Future Goals

Increase healthcare fraud investigations, especially Medicare/Medi-Cal fraud & abuse by:

- Extend investigative resources with Cal-DOJ for Medi-Cal provider fraud.
- Heighten collaborative efforts with HHS-OIG to combat Medicare abuse and fraud.
- Seek out specialized training to enhance healthcare fraud investigations.

The National Health Care Anti-Fraud Association (NHCAA) estimates that the financial losses due to health care fraud are in the tens of billions of dollars each year.¹ Health care fraud inevitably raises health insurance premiums, increases taxes, and reduces beneficial health programs.^{1,2}

Increased efforts to combat health care fraud will help preserve the vital patient programs provided by our Dept. of Health Services.

(<https://www.nhcaa.org/tools-insights/about-health-care-fraud/the-challenge-of-health-care-fraud/#:~:text=Everyone%20Shares%20the%20Burden%20of,as%20reduced%20benefits%20or%20cover age.>)

<https://www.fbi.gov/investigate/white-collar-crime/health-care-fraud/#:~:text=Health%20care%20fraud%20can%20be,these%20crimes%20in%20partnership%20with:>

Questions????????

HALT Office Contact Phone Number
213-288-8309



Health Services
LOS ANGELES COUNTY