

FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

Public Health Trust

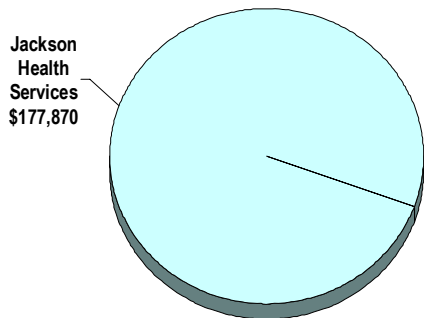
As part of the Health and Human Services strategic area, the Miami-Dade County Public Health Trust (PHT) is responsible for the operation, governance, and maintenance of the Jackson Health System (JHS), which includes Jackson Memorial Hospital (JMH), Jackson South Community Hospital, Jackson North Medical Center, and various health centers. JHS serves as a public hospital, major teaching hospital, and regional tertiary care referral hospital.

With over 2,100 licensed beds, JHS has a unique role in South Florida's community. It is the only safety net provider of health services in Miami-Dade County, and it is the largest teaching and charity-care hospital in the State of Florida. JMH is an accredited, non-profit, tertiary care hospital and the major teaching facility for the University of Miami, Miller School of Medicine. JHS, along with its hub, JMH, is a countywide network of healthcare services that includes 12 primary care centers, 11 school-based clinics, two long-term nursing facilities, and two satellite hospital facilities, Jackson South Community Hospital and Jackson North Medical Center. JMH is one of the busiest hospitals in the nation, based on the number of admissions to a single facility. In addition, JMH's trauma facilities provide an adult and pediatric Level 1 trauma center. The Transplant Center is also ranked among the ten busiest in the nation and is the only Florida center to perform every kind of organ transplant. JMH has the only burn center south of the Orlando/Tampa region and serves as the primary designated facility for all of South Florida in a bioterrorist event. It is the major full-service provider for the indigent and uninsured in Miami-Dade County, a regional referral center, and a magnet for medical research and innovation.

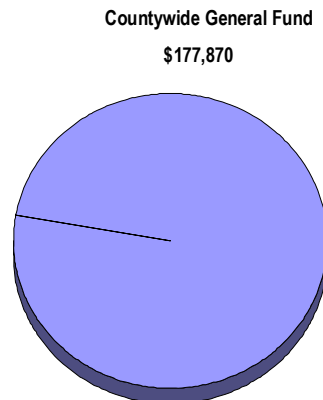
Due to Jackson Health System's mission of providing a single standard of care regardless of ability to pay, many in the community have access to healthcare services that would be unavailable otherwise. As a leader in bringing direct services to the community, JHS has taken innovative approaches to providing healthcare to the underserved, uninsured segment of the community. In addition, JMH has partnered with several public schools to provide school-based clinics in poor, underserved areas.

FY 2008-09 Adopted Budget

Expenditures by Activity
(dollars in thousands)

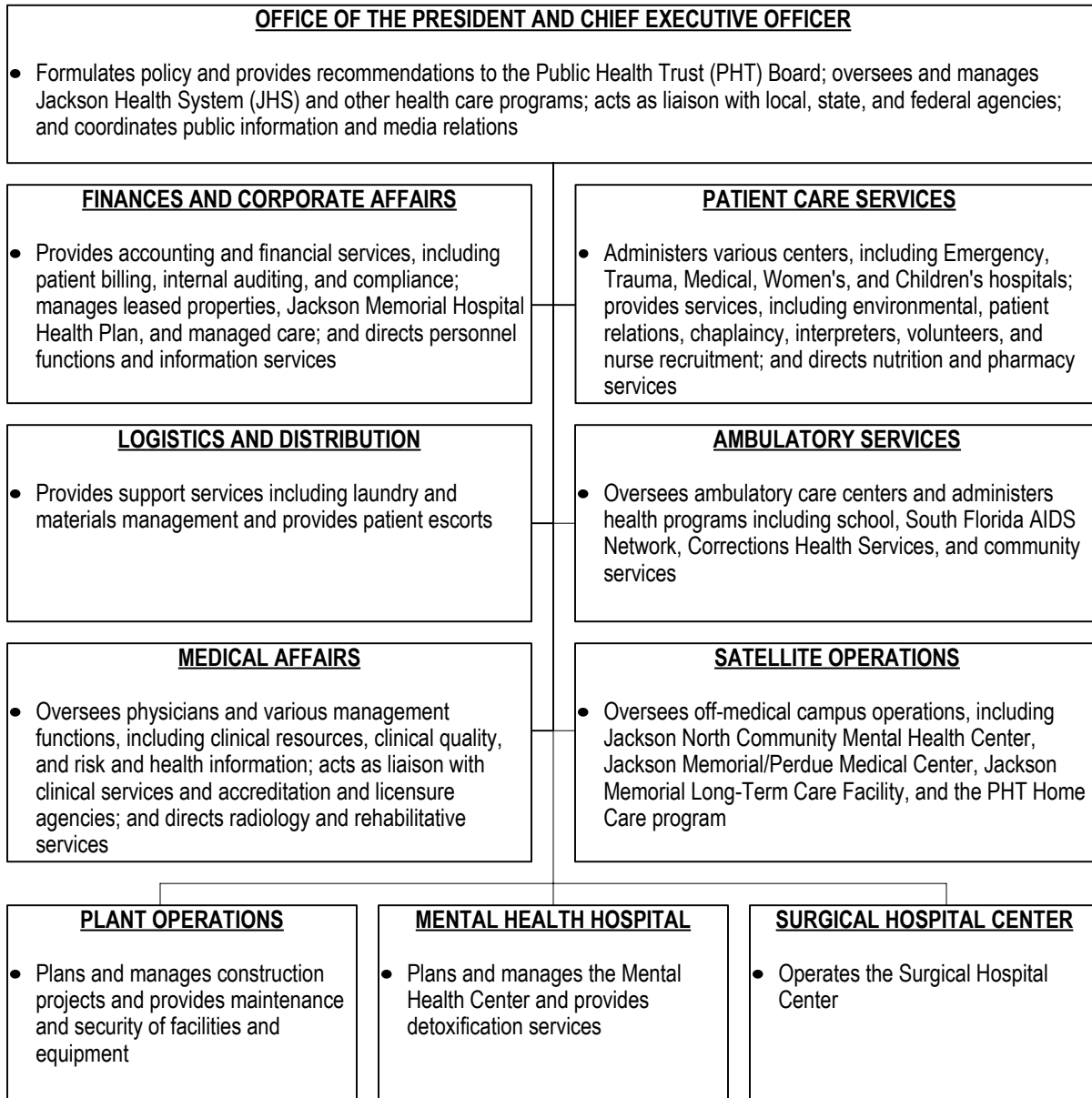


Revenues by Source
(dollars in thousands)



FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

TABLE OF ORGANIZATION



FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Adopted FY 08-09
Revenue Summary			
General Fund Countywide	160,878	178,060	177,870
Total Revenues	160,878	178,060	177,870
Operating Expenditures Summary			
Salary	0	0	0
Fringe Benefits	0	0	0
Other Operating	160,878	178,060	177,870
Capital	0	0	0
Total Operating Expenditures	160,878	178,060	177,870

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 07-08	Adopted FY 08-09	Budget FY 07-08	Adopted FY 08-09
Strategic Area: Health and Human Services				
Decentralized Health Services	0	0	0	0
Detoxification Services	0	0	0	0
Inmate Medical Services	0	0	0	0
Jackson Health Services	178,060	177,870	0	0
North Dade Primary Care	0	0	0	0
Total Operating Expenditures	178,060	177,870	0	0

CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FUTURE	TOTAL
Revenue									
Building Better Communities GOB Program	34,189	32,105	23,251	455	3,460	665	17,500	25,875	137,500
JMH Depreciation Reserve Account	122,932	55,400	4,117	0	0	0	0	0	182,449
JMH Foundation	2,900	1,434	0	0	0	0	0	0	4,334
JMH Revenue Bonds	95,000	0	0	0	0	0	0	0	95,000
Other Non-County Sources	4,786	1,536	0	0	0	0	0	0	6,322
Total:	259,807	90,475	27,368	455	3,460	665	17,500	25,875	425,605
Expenditures									
Strategic Area: Health And Human Services									
Computer Equipment	0	17,087	3,353	0	0	0	0	0	20,440
Health Care Equipment	0	13,500	0	0	0	0	0	0	13,500
Health Care Facility Improvements	85,757	182,626	71,327	4,455	3,460	665	17,500	25,875	391,665
Total:	85,757	213,213	74,680	4,455	3,460	665	17,500	25,875	425,605

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual	Actual	Budget	Actual	Budget
	FY 05-06	FY 06-07	FY 07-08	FY 07-08	FY 08-09
Medicaid Reimbursements	30,000	30,000	30,000	30,000	34,900
Miami-Dade County Health Department - Public Health Programs	1,257	1,257	1,257	1,257	1,257
Inmate Medical Care	18,307	20,087	21,856	21,490	24,776
Transfers and Reimbursements					
• Healthcare Planning - Healthcare Planning	300	300	300	300	300
• Fire Rescue Department - Helicopter Payment	900	900	900	900	900

FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

DIVISION: JACKSON HEALTH SERVICES

Serves as a public hospital, major teaching hospital, and regional tertiary care referral hospital through Jackson Memorial Hospital (JMH), Jackson South Community Hospital, Jackson North Medical Center, and various health facilities.

- Provides over 2,100 licensed hospital beds
- Provides a countywide network of healthcare services that includes 12 primary care centers, 11 school-based clinics, and two long-term nursing facilities
- Provides a Level 1 adult and pediatric trauma center, transplant center, burn center, and primary designated facility for a bioterrorist event
- Provides a single level of care regardless of ability to pay

Strategic Plan Outcome - Measures

- HH2-2: Increased utilization of available health and human services across all neighborhood facilities

Objectives	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Actual	Target
Increase use of JHS hospital services	Hospital inpatient days*	N/A	485,733	511,842	493,984	531,244
	Outpatient visits*	N/A	577,665	627,204	565,892	596,625

*Jackson North Medical Center purchased during FY 2006-07

Objectives	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Actual	Target
Increase access to health services through Primary Care Centers	Primary care outpatient visits	192,000	188,195	206,768	179,137	222,607

Objectives	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Actual	Target
Continue to provide medical services to inmates in the County's correctional facilities' clinics	Inmate outpatient visits	N/A	N/A	402,002	387,808	388,000

Objectives	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Actual	Target
Continue to provide skilled nursing facility services at Jackson Memorial Long-Term Care Facility and Jackson Memorial-Perdue Medical Center	Skilled nursing facilities inpatient days	117,600	116,565	116,624	117,927	117,895

FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

BUDGET PRIORITIES

- Renovate and construct facilities with funding from the Building Better Communities (BBC) Bond Program of \$32.105 million in FY 2008-09 (\$137.5 million all years)
- Continue implementation of Strategic Business Plan
- Continue improvements in technology to support operations

Budget Enhancements or Reductions and Additional Comments

- The Public Health Trust's FY 2008-09 budget is \$1.968 billion; the General Fund support in FY 2008-09 reflects a reduction of \$190,000, to \$177.870 million from the FY 2007-08 budget of \$178.060 million; revenues from the half-cent Local Option Healthcare Sales Surtax in FY 2008-09 reflect a reduction of \$16.872 million to \$178.128 million in FY 2008-09 from \$195 million budgeted in FY 2007-08 (at 95 percent) and a reduction of \$9.375 million from the FY 2007-08 projected sales surtax revenue; in FY 2007-08, reduced sales surtax collections, reduced interest earnings, and other fluctuations in revenues and expenses are projected to eliminate the \$11 million budgeted surplus and resulted in reductions in cash balances
- The net DSH/LIP (Disproportionate Share / Low Income Pool) payments are budgeted at \$164 million, a reduction of \$20 million from the FY 2007-08 projection; federal rules had been recommended that would have reduced those payments by \$130 million; for the second time, Congress has passed legislation deferring the implementation of those rules for one year
- During the 2008 legislative session, the State Legislature approved, for the second year, an allocation of \$20 million for Jackson Health Systems to be used to leverage federal funding; the legislature also made adjustments to Medicaid reimbursement levels that reduce payments for in-patient, nursing home, and other services that are estimated to reduce funding from the FY 2007-08 level by approximately \$4 million on an annual basis
- As a proprietary agency of the County, it is necessary for the PHT to retain sufficient working capital to provide for operating and other costs as accounts receivable and accounts payable vary; at the beginning of FY 2007-08 cash on hand totaled 40 days and ended at 42 days; in order to cover balance sheet expenses without depleting cash reserves further, the PHT budget requires an excess of revenues over expenditures of approximately \$10.6 million in FY 2008-09
- In FY 2008-09, the PHT plans to spend \$24.776 million for inmate health services, representing an increase of \$3.286 million from the FY 2007-08 budget; the increase in funding will cover inflation and improve the level of care to inmates; improvements include increasing the number of registered nurses assigned to the Corrections Health Services; enhancing dental care and chronic disease management; the budget for Ward D at JMH is \$3.2 million which does not include pharmaceuticals or ancillary services such as radiology or laboratory work; those costs, as well as care in areas outside of Ward D are absorbed in other operational units of the PHT; additionally, the County has \$1.3 million budgeted in FY 2008-09 for inmate medical care service outside of JMH
- In FY 2008-09, the PHT will continue funding the following health-related programs at a level comparable to FY 2007-08: \$900,000 for operating a Miami-Dade Fire Rescue Department Air Rescue helicopter; \$300,000 for the Planning and Zoning Department for countywide health care initiatives; \$300,000 for the County Attorney's Office for worker's compensation support; and \$34.9 million to fund a portion of the County's state-mandated Medicaid reimbursement payments, an increase of \$4.9 million from FY 2007-08 (\$30 million); the additional Medicaid reimbursement payment is to help offset the growth in the payments required of the County
- As a result of Financial Stability Plan initiatives, which include reducing the cost to charge ratio to 45 percent from 47 percent, total costs for charity care is estimated to decrease by \$14 million to \$648 million in FY 2008-09 from \$662 million in FY 2007-08

FY 2008 - 09 Adopted Budget and Multi-Year Capital Plan

- The Jackson Health Plan is projected to increase the member months from 336,974 to 431,958; net surplus for FY 2008-09 is estimated to be \$10 million
- The County issued debt on behalf of PHT of \$55 million in FY 2004-05 and \$30 million in FY 2005-06 for capital projects; an issuance of \$45 million planned for September 2008 has been deferred until the beginning of FY 2008-09 because of the unsettled credit market; debt service payments will increase by \$4.688 million to \$16.149 million in FY 2008-09 from \$11.461 million in FY 2007-08
- The PHT will participate in the Florida State Disproportionate Share (DSH) Program for the eighteenth year; funding is allocated annually by the State of Florida to institutions that serve a larger than average number of Medicaid patients; as part of the DSH formula, PHT is responsible for payments to the Medicaid Upper Payment Limit (UPL) program; the County makes payments directly to the State of Florida rather than to PHT on an accelerated schedule established by the Agency for Health Care Administration; the program is dependent on action from the federal government, State of Florida Legislature, and other participating counties; the annual intergovernmental agreements between the County and the State of Florida are executed administratively, subject to the appropriation of funds by the Board of County Commissioners as part of the annual resource allocation approval process
- To close a \$200 million funding gap, the PHT identified \$28 million in one-time underpayments from Medicaid and \$8 million in one-time funding and \$15 million in recurring revenue resulting from delays in state approvals and payments; in addition the PHT developed a Financial Stability Plan comprised of Revenue Cycle and System Integration improvements (\$25.4 million), Margin Growth (\$31.0 million), and Operational Improvement (\$99.2 million); Revenue Cycle and System Integration initiatives include better documentation and improved capturing of charges, more favorable managed care contracting, and strategic pricing; Margin Growth includes the effects of the Strategic Business Plan and initiatives such as the International Program, Certified Stroke Center, Interventional Radiology, Cardiology, Rehabilitation, Transplant Program, and Mental Health as well as other programs at Jackson North Medical Center, Jackson South Community Hospital, and the Division of Managed Care; Operational Improvement includes administrative organizations and consolidations, increased use of technology, adjustments to the residency program, reductions to allocations to community-based organizations, value analysis and changes in purchasing procedures, reducing the vehicle fleet, reducing office supply costs, reorganizing ambulatory pharmacy operations, redesigning operating room and emergency room procedures and facilities, improving productivity by adjusting staffing (including overtime and temporary personnel hours), and reducing Primary Care Center losses through a Trip-Party Primary Care Coalition including Federally Qualified Health Centers and the Department of Health