

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Public Health Trust

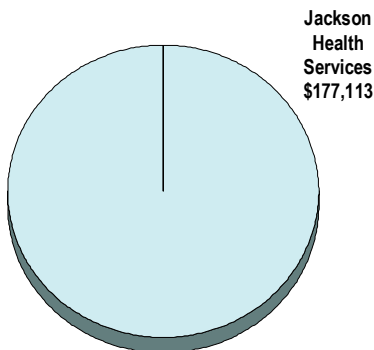
As part of the Health and Human Services strategic area, the Miami-Dade County Public Health Trust (PHT) is responsible for the operation, governance, and maintenance of the Jackson Health System (JHS), which includes Jackson Memorial Hospital (JMH), Jackson South Community Hospital, Jackson North Medical 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 the largest 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.

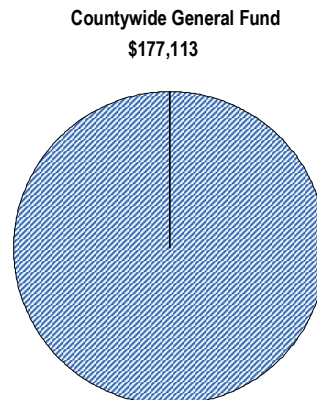
Due to Jackson Health System's mission of providing a single standard of care regardless of ability to pay, many in the community have access to healthcare services that would be unavailable otherwise. As a leader in bringing direct services to the community, JHS has taken innovative approaches to providing 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 Proposed Budget

Expenditures by Activity
(dollars in thousands)

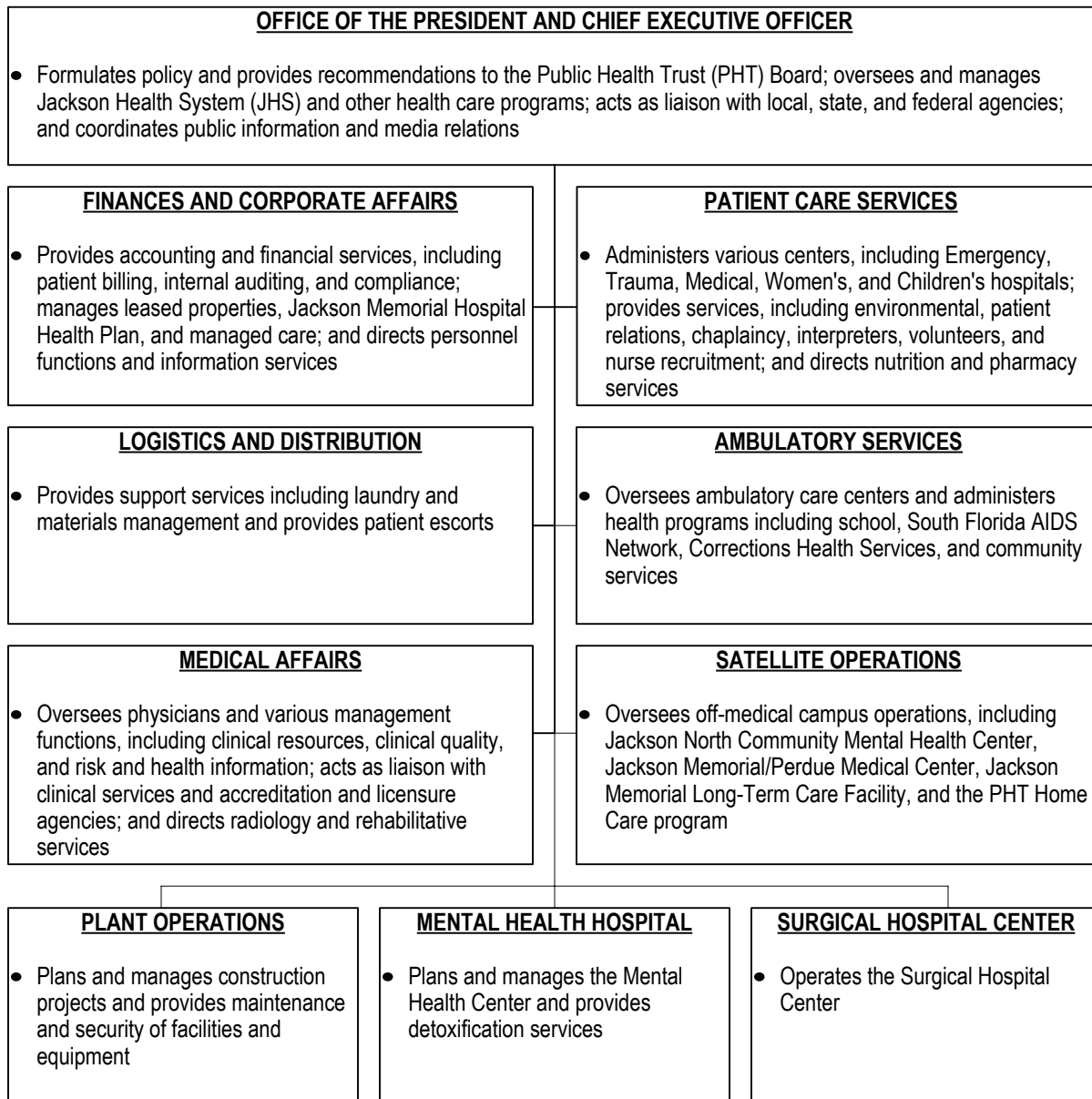


Revenues by Source
(dollars in thousands)



FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

TABLE OF ORGANIZATION



FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 06-07	Budget FY 07-08	Proposed FY 08-09
Revenue Summary			
General Fund Countywide	160,878	178,060	177,113
Total Revenues	160,878	178,060	177,113
Operating Expenditures Summary			
Salary	0	0	0
Fringe Benefits	0	0	0
Other Operating	160,878	178,060	177,113
Capital	0	0	0
Total Operating Expenditures	160,878	178,060	177,113

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 07-08	Proposed FY 08-09	Budget FY 07-08	Proposed FY 08-09
Strategic Area: Health and Human Services				
Jackson Health Services	178,060	177,113	0	0
Total Operating Expenditures	178,060	177,113	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	21,709	11,412	56,424	455	3,460	665	17,500	25,875	137,500
JMH Depreciation Reserve Account	122,932	56,999	4,117	0	0	0	0	0	184,048
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:	247,327	71,381	60,541	455	3,460	665	17,500	25,875	427,204
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	96,033	180,979	68,297	455	3,460	665	17,500	25,875	393,264
Total:	96,033	211,566	71,650	455	3,460	665	17,500	25,875	427,204

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual FY 05-06	Actual FY 06-07	Budget FY 07-08	Projection FY 07-08	Proposed 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					
• Planning and Zoning – Countywide Healthcare Planning	300	300	300	300	300
• Fire Rescue Department - Helicopter Payment	900	900	900	900	900

FY 2008 - 09 Proposed Resource Allocation 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

Increase use of JHS hospital services	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
		Hospital inpatient days*	N/A	485,733	511,842	505,952
	Outpatient visits*	N/A	577,665	627,204	567,549	570,907

*Jackson North Medical Center purchased during FY 2006-07

Increase access to health services through Primary Care Centers	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
		Primary care outpatient visits	192,000	188,195	206,768	187,000

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

Continue to provide skilled nursing facility services at Jackson Memorial Long-Term Care Facility and Jackson Memorial-Perdue Medical Center	Measures	FY 06-07		FY 07-08		FY 08-09
		Target	Actual	Target	Projection	Target
		Skilled nursing facilities inpatient days	117,600	116,565	116,624	116,601

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

BUDGET PRIORITIES

Strategic Plan Outcome	Programs/Initiatives	Impact
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Renovate and construct facilities with funding from the Building Better Communities (BBC) Bond Program of \$11.412 million in FY 2008-09 (\$137.5 million all years)	Improve health-related services countywide
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue implementation of Strategic Business Plan	Increased emphasis on centers of excellence to improve patient care and increase revenues
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue improvements in technology to support operations	Use technology to improve patient care and reduce costs

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

Budget Enhancements or Reductions and Additional Comments

- The Public Health Trust's FY 2008-09 estimated revenue budget is \$1.828 billion; the General Fund support in FY 2008-09 reflects a reduction of \$947,000, to \$177.113 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 result in reductions in cash balances
- The net DSH/LIP (Disproportionate Share / Low Income Pool) payments are budgeted at \$164.5 million, the same as in the current fiscal year; federal rules have been recommended that would reduce 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 is projected to be approximately 33 days at the end of the current fiscal year; in order to cover balance sheet expenses without depleting cash reserves further, the PHT budget requires an excess of revenues over expenditures of approximately \$7 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 projection including \$2 million to 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 includes the cost of care provided in the corrections ward (Ward D) but does not include the cost of care provided to inmates needing specialized or intensive care outside of Ward D; those costs are absorbed in other operational units of the PHT
- In FY 2008-09, the PHT will continue funding the following health-related programs at a level comparable to the current fiscal year: \$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 the current fiscal year (\$30 million); the additional Medicaid reimbursement payment is to help offset the growth in the payments required of the County
- JHS is the largest teaching and charity-care hospital in the State of Florida with total costs for charity care estimated to increase by \$56 million to \$695 million in FY 2008-09 from \$639 million in FY 2007-08
- The Jackson Health Plan is projected to increase the number of persons in its programs to 117,000 from 106,000; revenues are projected to increase by approximately \$36 million, and expenses by \$38 million including the start-up costs for new programs to serve the community; net surplus for FY 2008-09 is projected to be \$8 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; the County will issue debt of \$45 million in the current fiscal year as programmed within the FY 2007-08 Adopted Budget; 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 capital contribution in FY 2007-08 will provide the cash to partially fund the FY 2007-08 depreciation expense and is needed to meet bond coverage requirements

FY 2008 - 09 Proposed Resource Allocation and Multi-Year Capital Plan

- 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
- At this time, the FY 2008-09 expenses for the PHT total \$2.033 billion; to reduce current year losses and to balance the FY 2008-09 budget, the PHT is implementing a Financial Stability Plan which includes revenue enhancements, efficiencies, and service adjustments; at this time, initiatives totaling \$120 million have been identified and other initiatives are still being reviewed; revenue initiatives under consideration include implementation of the strategic business plan and other new and expanded services, improved collection processes, reduced length of stay at facilities and increased charges for medical and other services; administrative and operational savings initiatives under consideration include improved technological support to reduce costly manual processes, reductions in overtime, temporary agency expenditures and other personnel costs and staffing levels, implementation of an integrated leave management program to reduce paid, non-productive hours, substitution of generic for name brand pharmaceuticals, alternatives to reduce the cost of primary care, pharmacy operations, and other direct and support services; and adjusting support to community-based organizations and the State Department of Health in line with overall County policy in that regard; once all revenue initiatives have been achieved and all efficiency savings have been identified, any remaining gap will require operational adjustments that may result in reduced access to care for indigent patients; the PHT is refining the current year's projections and the FY 2008-09 estimates and is developing alternatives and initiatives to close the budgetary gap; a balanced budget will be presented to the PHT Board in August for recommendation to the Board of County Commissioners, and a full report will be provided to the County before the September budget hearings