

# FY 2009 - 10 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. Jackson North Medical Center is the major teaching facility for the new Florida International University Medical School. JHS, along with its hub, JMH, is a countywide network of healthcare services that includes primary care centers, school-based clinics, 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. 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 2009-10 Adopted Budget

### Expenditures by Activity

(dollars in thousands)

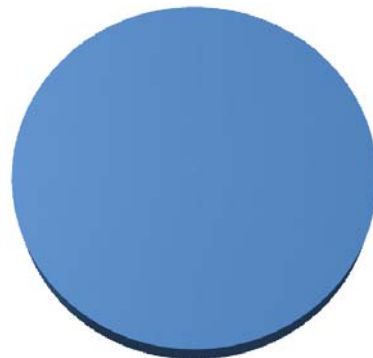
Jackson Health  
Services  
\$158,478



### Revenues by Source

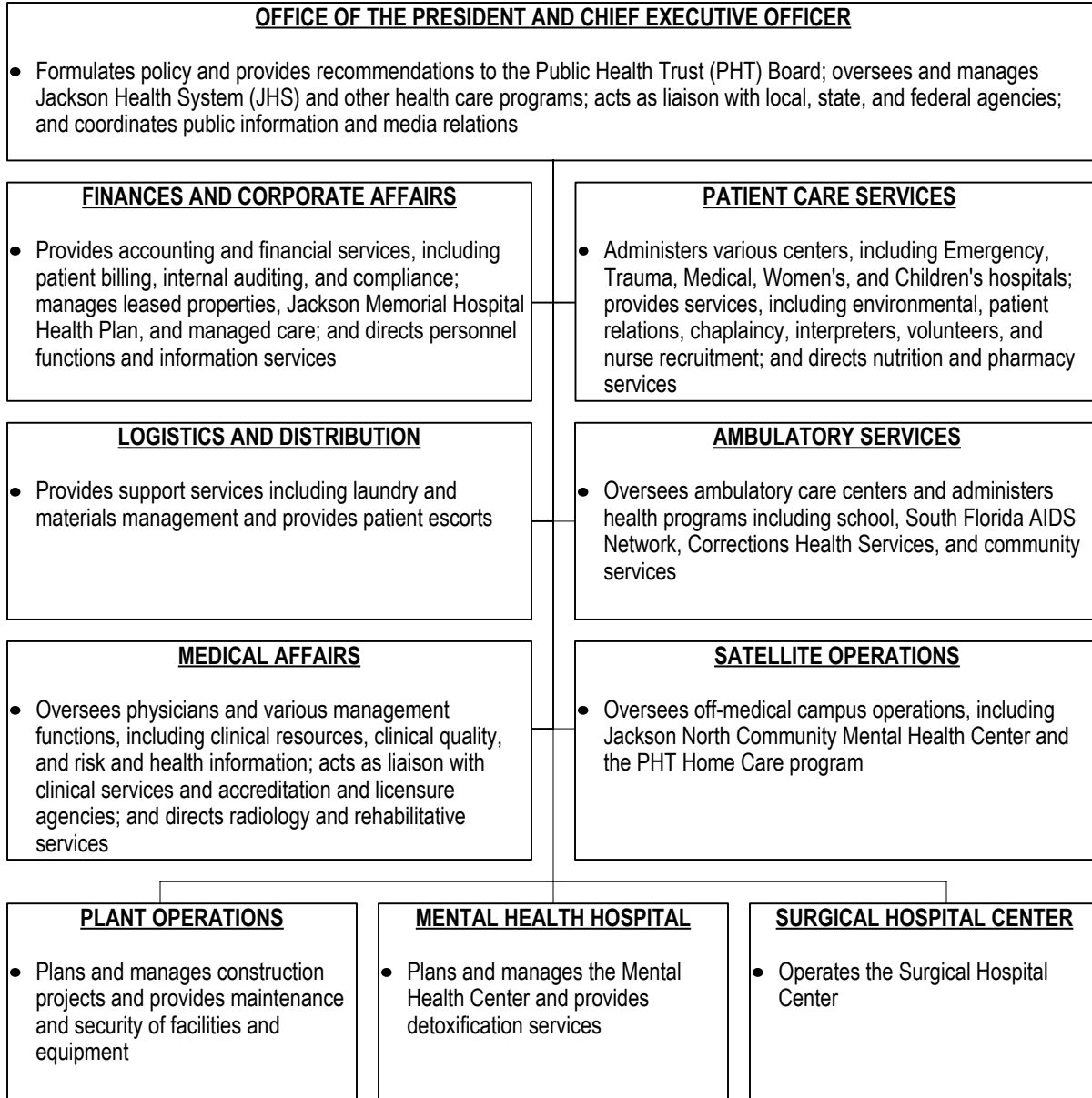
(dollars in thousands)

Countywide General Fund  
\$158,478



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## TABLE OF ORGANIZATION



## FY 2009 - 10 Adopted Budget and Multi-Year Capital Plan

### FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 07-08	Budget FY 08-09	Adopted FY 09-10
<b>Revenue Summary</b>			
General Fund Countywide	178,060	177,870	158,478
Total Revenues	178,060	177,870	158,478
<b>Operating Expenditures Summary</b>			
Salary	0	0	0
Fringe Benefits	0	0	0
Other Operating	178,060	177,870	158,478
Capital	0	0	0
Total Operating Expenditures	178,060	177,870	158,478

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 08-09	Adopted FY 09-10	Budget FY 08-09	Adopted FY 09-10
<b>Strategic Area: Health and Human Services</b>				
Jackson Health Services	177,870	158,478	0	0
Total Operating Expenditures	177,870	158,478	0	0

### CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FUTURE	TOTAL
<b>Revenue</b>									
Building Better Communities GOB Program	30,625	21,375	20,261	0	0	0	14,739	5,000	92,000
JMH Depreciation Reserve Account	43,407	34,432	538	0	0	0	0	0	78,377
JMH Foundation	521	2,950	0	0	0	0	0	0	3,471
JMH Future Revenue Bonds	0	0	75,776	0	0	0	0	0	75,776
JMH Revenue Bonds	144,988	0	0	0	0	0	0	0	144,988
Total:	219,541	58,757	96,575	0	0	0	14,739	5,000	394,612
<b>Expenditures</b>									
<b>Strategic Area: Health And Human Services</b>									
Computer Equipment	21,932	17,754	538	0	0	0	0	0	40,224
Health Care Equipment	0	8,551	0	0	0	0	0	0	8,551
Health Care Facility Improvements	61,013	92,291	22,030	0	0	0	14,739	5,000	195,073
Infrastructure Improvements	18,876	56,112	75,776	0	0	0	0	0	150,764
Total:	101,821	174,708	98,344	0	0	0	14,739	5,000	394,612

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### SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(dollars in thousands)				
	Actual	Actual	Budget	Actual	Budget
	FY 06-07	FY 07-08	FY 08-09	FY 08-09	FY 09-10
County Attorney	350	300	300	300	300
Planning and Zoning - Countywide Healthcare Planning	300	300	300	300	300
Medicaid Reimbursements	30,000	30,000	34,900	30,000	33,600
Miami-Dade County Health Department - Public Health Programs	1,257	1,257	1,257	1,200	1,130
Transfers and Reimbursements					
• Fire Rescue Department - Helicopter Payment	900	900	900	900	900

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### **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 primary care centers, and school-based clinics
- 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 07-08		FY 08-09		FY 09-10
				Target	Actual	Target	Actual	Target
Increase use of JHS hospital services	Hospital inpatient days	IN	↔	511,842	493,984	531,244	477,435	487,265
	Average length of hospital stay (in calendar days)	OP	↔	N/A	6.7	6.8	6.6	6.6

### **BUDGET ENHANCEMENTS OR REDUCTIONS AND ADDITIONAL COMMENTS**

- The Public Health Trust's FY 2009-10 Adopted Budget is \$1.895 billion; the General Fund support in FY 2009-10 reflects a decrease of \$19.392 million, to \$158.478 million from the FY 2008-09 budget of \$177.870 million, as a result of the decreased property tax roll and other underperforming revenues in the County's General Fund; revenues from the half-cent Local Option Healthcare Sales Surtax in FY 2009-10 reflects a reduction of \$8.396 million to \$169.732 million (at 95 percent) in FY 2009-10 from \$178.128 million budgeted in FY 2008-09 of which \$175.7 million is projected to be realized
- In FY 2008-09, \$103.3 million of identified financial sustainability initiatives were achieved, reflecting a reduction of \$52.3 million from the budgeted amount of \$155.6 million; the FY 2008-09 operating loss of \$50 million projected in June was reduced to a loss of \$46 million; while all efforts are made to minimize service adjustments, some have already occurred, such as changes in scheduling practices for surgery that have reduced surgeries to approximately 1,800 indigent persons
- During the 2008 legislative session and a subsequent special session required to balance the FY 2009 State budget, the State Legislature approved adjustments to Medicaid reimbursement levels that reduce payments for services; the effect was a reduction in funding of approximately \$1 million per month effective March 2009; no further reductions were made during the 2009 legislative session; in both FY 2007-08 and FY 2008-09, the State Legislature approved a \$20 million special allocation to the PHT used to increase federal support; that allocation was not renewed for FY 2009-10

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- 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 2008-09 cash on hand totaled 42 days; at year-end there were approximately 24 days of cash on hand; in order to cover balance sheet expenses without depleting cash reserves further, the PHT budget requires an excess of revenues over expenditures of approximately \$11 million in FY 2009-10
- The PHT provides medical care to inmates of the County Corrections and Rehabilitation Department; the mix of inmates requires the PHT to provide care to a juvenile population, a jail population, and a prison population as defined by state and federal law with different mandated levels of care for each population; inmate medical services will be outsourced to save \$4.9 million
- In FY 2009-10, the PHT will continue funding the following health-related programs at a level comparable to FY 2008-09: \$900,000 for operating a Miami-Dade Fire Rescue Department Air Rescue helicopter; \$300,000 for the County Attorney's Office for worker's compensation support; \$300,000 for the Planning and Zoning Department for countywide health care initiatives; and \$33.6 million to fund a portion of the County's state-mandated Medicaid reimbursement payments
- JHS is the largest teaching and charity-care hospital in the State of Florida with total costs for charity care estimated to increase by \$10 million to \$535 million in FY 2009-10 from \$525 million in FY 2008-09
- The County issued debt on behalf of PHT of \$55 million in FY 2004-05, \$30 million in FY 2005-06 for capital projects; and the \$45 million issued in the summer of FY 2008-09; debt service payments will increase by \$3.272 million to \$14.521 million in FY 2009-10 from \$11.249 million in FY 2008-09
- The PHT will participate in the Florida State Disproportionate Share (DSH) Program for the nineteenth 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; as a result of increased support for Medicaid from the federal government, the required intergovernmental transfer was reduced to \$308 million in FY 2009-10 from \$355 million in FY 2008-09 while DSH/Low Income Pool (LIP) funding (including Exemption Benefits and Buyback and the intergovernmental transfer) is expected to decrease to \$570 million in FY 2009-10 from \$582 million in FY 2008-09; the net result is an increase of \$35 million in FY 2009-10
- The FY 2009-10 capital budget is \$174.708 million which includes information technology improvements (\$17.754 million), healthcare equipment acquisitions (\$8.551 million), healthcare facilities improvements (\$92.291 million), and infrastructure improvements (\$56.112 million)
- Over the past several years, critical infrastructure repairs at PHT facilities have been deferred; to remedy that situation, a PHT revenue bond was authorized to raise \$151 million over the next three fiscal years for infrastructure rehabilitation and repairs; of the total, \$75 million for projects was issued in FY 2008-09 with the balance to be issued in FY 2010-11; the debt service for this bond, which is a County responsibility, is budgeted at \$3.6 million in FY 2009-10; each year, the staff of the PHT will work with County staff to offset negative effects on the County budget

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- The PHT continues to identify Financial Sustainability Initiatives relating to administrative and operational efficiencies and to increasing revenues; the budget includes \$75 million in such initiatives and a reserve of \$15 million to offset the impact of initiatives that may not be realized fully
- Capital expenditures from depreciation funds are reduced by \$16.3 million to cover a portion of required debt service payments
- *The FY 2009-10 Adopted Budget includes additional service reductions of \$16.7 million as approved by the PHT Board, based on staff recommendations, which will take into account alternative service availability, patient volumes, and the cost of service; although efforts will be made to minimize the impact of such reductions, it is anticipated that wait times will increase as patients seek services at other facilities; to the extent that patients, possibly because of their inability to pay, have difficulty locating alternative service locations, treatment may be delayed or omitted; in that case their conditions may deteriorate and emergency care may be required*
- *Executive compensation and leadership restructuring will reduce the executive payroll by approximately 10 percent (\$1 million)*
- *The FY 2009-10 budget includes redefined job responsibilities and elimination of mid-management allowances, which will reduce 20 administrative and management positions (\$3 million)*
- *The Purdue Medical Center and the Jackson Memorial Long Term Care Center will be closed in January, 2010; funded patients will be placed in other facilities in the community, and the PHT will pay to place unfunded patients (net savings of \$9.8 million)*
- *The Primary Care and Ambulatory Care Program will be restructured effective in January 2010; among other actions, the restructuring includes the closure of the Juanita Mann and North Miami Primary Care Centers and the collection of an encounter fee (net savings of \$6 million)*
- *Additional Financial Sustainability Initiatives include reduced funding to CHI (\$1.5 million); reduced funding to other CBO's (\$500,000); the Care-A-Van program will be restricted to participation in outreach activities such as health fairs (\$400,000); closing the Pain Clinic at JM, thereby reducing access to pain management services (\$121,000); closing the Broward Transplant Program (\$579,000); the Heart Transplant and Lung Transplant Programs will continue, however, the Combined Heart/Lung Transplant Program be discontinued (\$307,000); elimination of the Outpatient Wound Care Services Program at Jackson South Community Hospital (\$529,000); and deferring other hospitals from sending unfunded outpatients requiring renal service to Jackson (\$100,000)*