

Memorandum



Date: May 3, 2006

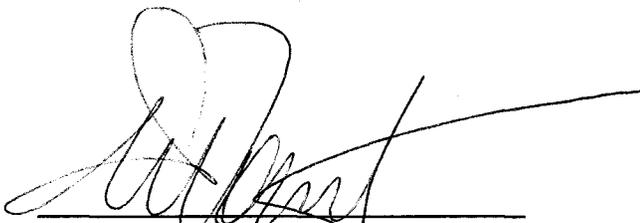
To: Honorable Chairperson Rebeca Sosa
and Members, Community Outreach, Safety and
Healthcare Administration Committee

From: George M. Burgess
County Manager

Subject: Supplemental Report – FY 2006-07 Departmental Budget Presentations

Supplement to
Agenda Item No. 2(A)

This supplement item includes the budget presentation for the Public Health Trust that was inadvertently missing financial information.



Assistant County Manager

cmo08106

Public Health Trust

Public Health Trust

STRATEGIC PLANNING PRIORITIES AND BUDGET HIGHLIGHTS

Health and Human Services

Desired Outcome	Highlights	Performance Impact
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue to provide a broad range of inpatient and outpatient medical services at Jackson Memorial Hospital and Jackson South Community Hospital to all residents of Dade County	Experience estimated inpatient days in FY 2005-06 of 428,000 and outpatient visits of 604,000 at Jackson Memorial Hospital and Jackson South Community Hospital
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue to provide direct health services to residents of Miami-Dade County through a network of satellite Primary Care Centers as well as education and health screening services from a traveling medi-van	Provide estimated outpatient visits in FY 2005-06 of 198,000 through a network of Primary Care Centers
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue to provide medical services to inmates in the County's correctional facilities' clinics	Provide estimated outpatient visits in FY 2005-06 of 586,000 for inmates in the County's correctional facilities' clinics
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue to provide inpatient mental health services throughout the Jackson Memorial Health System to all residents of Miami-Dade County	Experience estimated inpatient days in FY 2005-06 of 13,000 for mental health services
HH2-2: Increased utilization of available health and human services across all neighborhood facilities	Continue to provide skilled nursing facility services at Jackson Memorial Long Term Care Facility and Jackson Memorial-Perdue Medical Center	Experience estimated inpatient days in FY 2005-06 of 115,000 for skilled nursing facility services
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 (\$137.5 million)	Expand the emergency department at JMH (\$40 million); expand pediatric facilities at JMH (\$24 million); expand Jackson South Community Hospital (\$52 million); construct a new 21-bed radiology unit at JMH (\$9 million); implement other miscellaneous projects (\$12.5 million)

Health and Human Services

Desired Outcome**Highlights****Performance Impact**

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

Continue to operate the Ryder Trauma Center as a Level I trauma center

Experience estimated 3,600 emergency patients per year, treated for blunt trauma, vehicular accidents, gunshot wounds, stabbings, and various other causes

REPORT 22: APRIL COMMITTEE REPORT (Revised)

Department: Public Health Trust

(\$ in 000s)

Department-wide Issues

N/A

Public Health Trust of Miami-Dade County Issues

- 1 Jackson Health System is the largest teaching and charity-care hospital in the State of Florida. Total cost of charity care is estimated to reach in excess of \$950 million in FY 2006-07, up from approximately \$906 million in FY 2005-06.
- 2 In FY 2004-05 PHT realized a positive operating balance of \$10.849 million, FY 2005-06 is projected to experience a deficit of \$9.408 million, and a deficit in FY 2006-07 of \$77.403 million; shortfall is attributable primarily to capacity constraints and increasing labor costs as a result of the new labor agreements
- 3 The County provided \$55 million in FY 2004-05 and \$30 million in FY 2005-06 for capital projects thus alleviating demand on capital; no additional capital funding is proposed for FY 2006-07 at this time.
- 4 The PHT has experienced escalating costs in patient transport under the Metro Ambulance service contract for several years, in FY 2006-07, and thereafter, the County has agreed to add to the Maintenance of Effort (MOE) calculation that percent of the general fund that adds \$1.5 million to the actual MOE
- 5 In FY 2005-6 Net Patient Service Revenues were \$797.3 million; in FY 2005-06 the projection is \$806.5 million and \$815.9 million in FY 2006-07, a 1.1% increase primarily to strategic price increases
- 6 PHT received \$40.2 million in unbudgeted revenues from prior years adjustment to Medicaid payments (\$33.2 million) and a Medicare settlement (\$7 million); revenue was recorded in FY 2004-05 and cash received in FY 2005-06.
- 7 In FY 2004-05, the hospital net Disproportionate Share Hospital (DSH) /Upper Payment Limit (UPL) / Supplemental Medicaid Payment (SMP) payments totaled \$87.5 million, in FY 2005-06 payments are projected at \$87.1 million; in FY 2006-07 funding increases to \$110.1 million
- 8 PHT is currently advocating for recurring general revenue appropriation for charity care consistent with funding currently provided to two other hospitals in the State (\$20 million - included in FY 2006-07 revenues) and reinstatement of Hospital medicaid inpatient rates (\$24 million - not included in the FY 2006-07 revenues).
- 9 In FY 2006-07 Project ReCreate Phase II will generate an additional \$10 million in cost saving initiatives and \$10 million in revenue enhancement
- 10 In FY 2004-05 PHT assumed responsibility for managing all Pharmacy services, better operational controls and efficiencies have resulted in approximately \$10 million in savings; in FY 2005-06 increasing costs of pharmaceuticals reduce the net savings to \$3.5 million; in FY 2006-07 costs will increase to \$211.2 million or \$14.7 million higher than FY 2005-06
- 11 In FY 2005-06 labor costs were budgeted at \$796.1 million but projected at \$819 million, a \$22.9 million increase, partially due to newly negotiated labor contracts costs; in FY 2006-07 labor costs are estimated to reach \$868.7 million, an additional increase of \$49.7 million
- 12 PHT did not fund Healthy Kids in FY 2005-06 (\$2.7 million); the County will evaluate and make funding recommendations based on pending legislative action at the State
- 13 The PHT is currently preparing a 5 year Master Facility Plan which when completed, will detail the construction project priorities and timelines
- 14 The Jackson South expansion program is progressing, the land has been purchased, and a Project Manager has been hired
- 15 In FY 2005-06 projected inpatient days are projected to increase to 440,000 and outpatient visits are expected to decrease to 565,000; no significant change is estimated in either inpatient days or outpatient visits in FY 2006-07 mostly due to capacity constraints.
- 16 In FY 2005-06 Inmate Correctional outpatient visits are projected to decrease to 433,000; in FY 2006-07 outpatient visits are anticipated to remain relatively constant
- 17 In FY 2005-06 Primary Care (including the traveling Care-A-Van) outpatient visits are projected to decrease to 192,000; in FY 2006-07 outpatient visits are anticipated to remain relatively constant
- 18 In FY 2005-06 emergency patients are expected to remain constant at 3,600; in FY 2006-07 emergency patients are anticipated to remain relatively constant
- 19 In FY 2005-06 skilled nursing facilities inpatient days are expected to increase to 117,000; in FY 2006-07 patient days are estimated to remain relatively constant
- 20 In FY 2005-06 Mental Health inpatient days are expected to decrease to 11,000; in FY 2006-07 patient days are anticipated to remain relatively constant

PAYMENTS TO AND FROM OTHER DEPARTMENTS

Department: Public Health Trust

(\$ in 000s)

PAYMENTS TO BE MADE TO OTHER DEPARTMENTS FROM PUBLIC HEALTH TRUST

Department(to)	Reason and Source	Confirmed?	FY 2001-02 Actual	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Projection	FY 2006-07 Base Budget Submission
County Attorney's Office	Legal services	Yes	\$350	\$350	\$350	\$350	\$350	\$350	\$350
Countywide Healthcare Planning	Health Planning	Yes	\$0	\$0	\$300	\$300	\$300	\$300	\$300
Fire Rescue	helicopter for trauma transpor	Yes	\$900	\$900	\$900	\$900	\$900	\$900	\$900
Non-Departmental	Medicaid	Yes	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Non-Departmental	Health Department	Yes	\$1,257	\$1,257	\$1,257	\$1,257	\$1,257	\$1,257	\$1,257
Total Transfer to other Departments			\$32,507	\$32,507	\$32,807	\$32,807	\$32,807	\$32,807	\$32,807

PAYMENTS TO BE MADE FROM OTHER DEPARTMENTS TO PUBLIC HEALTH TRUST

Department(from)	Reason and Source	Confirmed?	FY 2001-02 Actual	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Budget	FY 2005-06 Projection	FY 2006-07 Base Budget Submission
Corrections and Rehabilitation	Provide health care to county inmates.	No	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900
Total Transfer from other Departments			\$4,900	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900	\$4,900

may include capital funds as well

**JACKSON HEALTH SYSTEM
CONSOLIDATED
STATEMENT OF REVENUE & EXPENSES**

(amounts in 000's)	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	BUDGET 2005-2006	PROJECTED 2005-2006	PROPOSED 2006-2007
Revenues						
Operating Revenue:						
Net Patient Service Revenue	756,080	768,064	797,264	839,169	806,500	815,953
Net DSH Patient Revenue	39,700	49,400	87,542	87,100	87,100	110,100
Other Operating Revenue	139,102	133,101	133,729	138,638	135,000	136,350
Grant Revenue	23,568	25,189	25,653	26,401	25,800	25,800
Total Operating Revenue	958,450	975,754	1,044,188	1,091,308	1,054,400	1,088,203
Non-Operating Revenue:						
Miami-Dade Co Unrestricted Funds	107,290	119,110	123,066	140,450	141,185	158,808
Unrestricted Health Care Surtax	146,268	161,812	170,458	170,647	179,704	179,255
Miami-Dade County Capital Contrib.	-	-	55,200	30,000	30,000	-
Medicaid Retro Adjustment	-	-	40,230	38,890	38,447	-
Project ReCreate Phase II	-	-	-	-	-	10,000
Other Non-Operating Revenue	20,870	17,850	10,415	17,983	29,900	29,800
Total Non-Operating Revenue	274,428	298,772	399,369	397,970	419,236	377,863
Total Revenue	1,232,878	1,274,526	1,443,557	1,489,278	1,473,636	1,466,066
Expenses						
Operating Expenses:						
Salaries & Related Costs	690,257	761,956	782,430	796,108	819,000	868,656
Purchased Services	274,490	296,418	337,068	345,423	346,366	347,741
Supplies	187,645	205,402	200,876	207,890	196,486	211,222
Interest	8,872	8,641	8,248	16,139	16,000	14,900
Provision for Self-Insured Claims	5,532	(2,558)	3,898	7,117	7,000	7,000
Public Med/Assist. Trust Assess.	12,040	10,434	11,578	11,421	11,692	12,000
Depreciation Expense	43,054	36,261	37,762	40,800	40,500	44,550
Project ReCreate Phase II	-	-	-	-	-	(10,000)
Other Operating Expenses	37,800	43,131	50,848	44,340	46,000	47,400
Total Expenses	1,259,690	1,359,685	1,432,708	1,469,238	1,483,044	1,543,469
Excess of Rev. over (under) Exp.	(26,812)	(85,159)	10,849	20,040	(9,408)	(77,403)

Notes FY06 Projected:

- 1) Other Operating Revenue consists primarily of JMH Health Plan Claims - \$72,000, JMH Health Plan Operating Expenses - \$20,000, House Staff reimbursement - \$21,000, Parking Rev - \$5,000, and Various Other - \$17,000)
- 2) Other Non-Operating Revenue consists of Interest Income - \$17,800, GME - \$3,700, Capital Contributions Grants and Other - \$3,680, Commercial Property Revenue - \$3,000, and Various Other rev. - \$1,720.
- 3) Miami-Dade County Unrestricted Funds comprised of \$133,928 MOE, \$1,021 NDHC, \$601 Health Services, \$735 Detox, and \$4,900 Corrections.

Notes FY07 Proposed:

- 1) Other Operating Revenue consists primarily of JMH Health Plan Claims - \$72,000, JMH Health Plan Operating Expenses - \$20,000, House Staff reimbursement - \$21,000, Parking Rev - \$5,000, and Various Other - \$18,350)
- 2) Other Non-Operating Revenue consists of Interest Income - \$17,700, GME - \$3,700, Capital Contributions Grants and Other - \$3,680, Commercial Property Revenue - \$3,000, Various Other Revenue - \$1,720.
- 3) Miami-Dade County Unrestricted Funds comprised of \$150,051 MOE, \$1,021 NDHC, \$601 Health Services, \$735 Detox, \$4,900 Corrections, and \$1,500 Ambulance.
- 4) Unrestricted Healthcare Surtax for FY07 is proposed at 95% per State Law. (100% equals 188,689)

PUBLIC HEALTH TRUST OF MIAMI-DADE COUNTY
Reconciliation of Statement of Revenue & Expenses (P&L) with the Cash Budget
For FY06 Projected and FY07 Proposed

	FY06 Projected		FY07 Proposed	
	Cash	P&L	Cash	P&L
Total Revenues	\$ 1,503,866	\$ 1,473,636	\$ 1,456,066	\$ 1,466,066
Retro adj. recorded in 2005		40,230		
Restricted Interest included in P&L		(10,000)		(10,000)
Adjusted Total Revenues	<u>1,503,866</u>	<u>1,503,866</u>	<u>1,456,066</u>	<u>1,456,066</u>
Total Expenses	1,499,844	1,483,044	1,552,969	1,543,469
Non-Cash Interest Expense		(1,200)		(500)
Cardinal Buyout		8,000		
Payments to MDC for prior years' expense		10,000		10,000
Adjusted Total Expenses	<u>1,499,844</u>	<u>1,499,844</u>	<u>1,552,969</u>	<u>1,552,969</u>
Net Change	<u>\$ 4,022</u>	<u>\$ 4,022</u>	<u>\$ (96,903)</u>	<u>\$ (96,903)</u>

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PHT MULTI-YEAR PROJECTION

	2005-06 bdtg		2005-06 proj		2006-07 est		
	cap	operating	cap	operating	cap	operating	
Patient revenue		875,682		843,000		852,453	
Medicaid payment		(30,000)		(30,000)		(30,000)	
Deloitte collection cntrct		(6,500)		(6,500)		(6,500)	
Net Patient Rev		839,182		806,500		815,953	
Medicare/medicaid settlement				40,230			
DSH		87,087		87,100		110,100	rounding to tie to PL
Other oper rev		138,638		135,000		136,350	
Grants		26,401		25,800		25,800	
Sales tax		170,647		179,704		179,255	
County Moe		133,193		133,928		150,051	
Detox, nrsg homes, pcc, ambulance		2,357		2,357		3,857	
Inmate medical		4,900		4,900		4,900	
County other	30,000	-	30,000				
Interest	8,539	1,000	5,000	4,000	6,400	4,600	
Medicaid retro		38,890		48,447			
Retro return				(10,000)			
Deloitte revenue						10,000	
Medical Education Fd				3,712		3,700	change to tie with PL
Other		8,443	1,540	5,648	1,500	3,600	change to tie with PL
TOTAL	38,539	1,450,738	36,540	1,467,326	7,900	1,448,166	
Managed Care (est.)		(72,000)		(72,000)		(72,000)	
Fnd. Depreciation	10,800	(10,800)	10,500	(10,500)	44,550	(44,550)	
Net Total	49,339	1,367,938	47,040	1,384,826	52,450	1,331,616	
Combined Total		1,417,277		1,431,866		1,384,066	
Restricted interest	10,000		10,000		10,000		
Salary and fringes		796,108		816,500		868,656	
Pay carryover							
Hurr related OT				2,500			
Purchase services		326,922		334,491		347,741	
Deloitte contract		18,500		13,875			
Supplies		207,890		196,486		211,222	
Cardinal buyout			1,600	6,400			
Cardinal buyout svgs				(2,000)			
Interest cost		16,138		14,800		14,400	1
Malpractice self-ins		7,117		7,000		7,000	2
AHCA assessment		11,421		11,692		12,000	
Capital/fnded depr	40,800		40,500		44,550		
Other		44,340		46,000		47,400	
Principal							
Deloitte savings						(10,000)	
Retro pay to County				10,000		10,000	
TOTAL	40,800	1,428,436	42,100	1,457,744	44,550	1,508,419	
Managed Care (est.)				(72,000)		(72,000)	
Net Total			42,100	1,385,744	44,550	1,436,419	
Combined Total				1,427,844		1,480,969	
NET	(2,261)	22,302	4,940	(918)	7,900	(104,803)	
BEG CSH			88,210	24,000	93,150	23,082	
END CASH			93,150	23,082	101,050	(81,721)	
Adjustment			(18,000)	18,000			
Adj. End cash			75,150	41,082	83,050	(63,721)	
TOT CASH				116,232		19,329	

PHT MULTI-YEAR PROJECTION

	2005-06 bdgt		2005-06 proj		2006-07 est	
	cap	operating	cap	operating	cap	operating
	Accts payable	-	571,850	1,600	567,944	-
Managed care		72,000		72,000		72,000
Net accts payable	-	499,850	1,600	495,944	-	505,963
growth						
pat rev	1.05000	1.05000	1.05000	1.05000	1.05000	1.01121
other rev	1.01000	1.01000	1.01000	1.01000	1.01000	1.01000
sales tax						1.04000
prop tax						1.10000
fringe %						0.70000
cola						1.03000
merit						1.02500
non-cola cba						1.00700
fte growth						1.01500
base ret						0.09000
new ret						0.09500
ret % change						1.05556
base soc sec						0.07500
soc sec						1.03000
heath ins base						7.35
heath ins (3% on 7300)						1.02040
ot fte						500
new ot fte						450
attriti9on both years						0.02000
purc svc						1.06953
supplies						1.05000
capital					1.10000	
other exp						1.0300
AHCA						1.0300
fte growth						10,400
Salary and fringes				815,000		
retirement				51,345		
Soc sec				42,788		
heath				76,440		
net sal				644,428		
new sal				695,394		
ot adj				5,649		
net new salary				689,744		
new ret				55,010		
new soc sec				44,732		
new health				79,169		
new sal and fringe				868,656		
1. 06Dff with PL figures; \$1.2 non cash interest exp. (amortz.BondDisct and internal int)						
2. 07 Difference in PL figure: \$.5 non cash interest exp						