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Director and Chief Medical Officer

FRED LEAF
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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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September 19, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

FISCAL YEAR 2001-02 YEAR-END BUDGET ADJUSTMENT (All Districts) (4 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year 2001-02 Year-End Budget Adjustment (BA) for the Department of Health Services (DHS) to increase total DHS surplus funds, as of June 30, 2002, to \$366.9 million in the Hospital Enterprise Fund designation, comprised of a \$55.8 million Fiscal Year 2001-02 actual operating surplus and an existing \$311.1 million Hospital Enterprise Fund designation balance from prior fiscal years; to reallocate certain appropriations and revenues within the Department to align them with Fiscal Year 2001-02 final experience; to transfer the DHS general fund budget units' \$22.7 million surplus to the Hospital Enterprise Fund designation; and to recognize \$6.4 million in funding from the State Emergency Medical Services Authority and increase expenditure authority for the Physician Services Account for the same amount.
2. Approve the attached Fiscal Year 2001-2002 Budget Adjustment to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan and to recover \$0.3 million of unused funding from the Department of Public Social Services (DPSS).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Board's approval of the Fiscal Year 2001-02 Year-End BA (Attachment A) will:

1. Increase total DHS funds, as of June 30, 2002, to \$366.9 million in the Hospital Enterprise Fund designation, comprised of a \$55.8 million Fiscal Year 2001-02 actual operating surplus (see Attachment B) and the existing \$311.1 million Hospital Enterprise Fund designation balance from prior fiscal years.
2. Reallocate certain appropriations and revenues within DHS to align them with the Department's Fiscal Year 2001-02 final experience.
3. Transfer the DHS general fund budget units' \$22.7 million surplus to the Hospital Enterprise Fund designation.
4. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with actual experience, and return to DHS \$0.3 million in surplus program funds from DPSS resulting from slightly lower than expected operating activity.
5. Recognize \$6.4 million in funding from the State Emergency Medical Services Authority and increase expenditure authority for the Physician Services Account for the same amount.

FISCAL IMPACT/FINANCING

The recommended action adjusts the various Departmental budgets to reflect DHS' actual financial experience for Fiscal Year 2001-02. It also increases the Hospital Enterprise Fund designation balance to \$366.9 million, as of June 30, 2002.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In accordance with established County practice, this BA transfers the DHS General Fund surplus of \$22.7 million to the DHS Enterprise Fund, which along with the \$33.1 million Enterprise Fund surplus, brings the Department's designation balance to \$366.9 million.

CONTRACTING PROCESS:

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

This Year-End BA has no impact on current services.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:mn (M:\A\CCRUAL\SCHED02\02BAYE02.wpd)

Attachments

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