Health Services Update

Looking forward: key issues and opportunities

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Conversation about Budgets
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WHAT IS HEALTH?
Today’s Discussion

• Budgeting Process
• Drivers
• Trends
• Challenges
• Planning and Input
• Opportunities – Health and Human Services
Who Are We?

• 4,400 employees
• ~$1.8 billion budget
• Wide statutory responsibilities across the county
  • Delivery of Care / Direct Service
  • Prevention and Protection
  • Health Care Coverage / Managed Care
• Special attention to the most vulnerable
Budgeting Process

• Planning - deliberation - recommendation
• Budget Hearing on April 16th (hearing can be continued if needed)
• Planning - deliberation - recommendation
• Budget Adoption on May 7th
• Implementation, review, planning.....

“Never look back unless you are planning to go that way”
— Henry David Thoreau
18-19 Expenditures

- Hospital and Clinics: $623,957,584
- HazMat & Env Health: $2,100,000
- CC Health Plan: $25,492,817
- Health, Housing and Homeless: $72,901,458
- Behavioral Health: $8,380,456
- Detention: $25,600,010
- Public Health: $783,475,840
- Emergency Medical Services: $22,143,837
19-20 Recommended Expenditures

- Hospital and Clinics: $667,938,932
- CC Health Plan: $714,534,676
- Behavioral Health: $265,546,900
- HazMat & Env Health
- Health, Housing and Homeless
- Detention
- Emergency Medical Services
- Public Health

Additional amounts:
- $16,504,755
- $26,920,681
- $77,712,970
- $2,100,000
Drivers

• Needs of people – focus on those most vulnerable
• No growth
  • CCHP Membership in decline
• Costs increase
  • Workforce and general operations
• Revenues flat to declining
Trends

- System-Centered to Human-Centered
- Health Care to Health
- Social Determinants
- Volume to Value
- Managed Care / Population Focus
- Integration, integration, integration
Challenges

• Waiver succession
• Federal/State uncertainty
• Leadership transitions

Reasons For Concern

• Revenues will not keep up with expenditures for 2019/20 nor are they likely to do so for 2020/21 and beyond

• Aging Technology – Finance & Tax Systems

• Increased costs of benefits – pension assumed rate of return is 7.00% - actual returns for 2015 were 2.6%, 2016 returns were 7.4%, 2017 returns were 14.2%, exact figures for 2018 too early to report, but we believe actual returns were less than 1%

• Economy is driven by technology not labor, social systems are changing, and institutions and leaders struggling to meet the needs of the 21st century

• Federal government not likely to respond to counties needs

• Future of the County Hospital, Clinics, and Health Plan - it continues to be difficult to support a stand-alone county hospital. We continue to reduce programs in other areas to support Hospital needs. We must consider alternatives

• Unreasonable expectations given funding available
Priorities

• Maintain existing services
• Increase Input and Engagement with end-users
• Increase Input and Engagement with service partners
• Indicators of Health – Profound Metrics
Planning and Input

• Sharing of information

• Collaboration, transparency, listening

• Strategic planning

Nonprofits’ Real Cost of Doing Business and What We Can Do About It

HUMAN SERVICES ALLIANCE OF CONTRA COSTA
OCTOBER 15, 2018
“No state has more at stake on the issue of health care. California must lead.”

Governor Newsom