



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

San Mateo Medical Center

DATE: April 28, 2004

BOARD MEETING DATE: May 11, 2004

TO: Honorable Board of Supervisors
FROM: Nancy Steiger, Chief Executive Officer (N Steiger)
SUBJECT: Appropriation Transfer Request

Recommendation

Approve an Appropriation Transfer Request (ATR) transferring \$3,700,000 from General Fund Reserves, increasing the County Contribution, and increasing the San Mateo Medical Center appropriations in Services and Supplies (\$3,600,000) and Other Charges (\$100,000).

Background/Discussion

In development of the year-end projections for FY 2003-04 it was determined the Medical Center would end FY 2003-04 with a deficit. Funds from the General Fund were transferred in April in the amount of \$3,500,000 and additional \$3,700,000 needs to be transferred at this time. Contributing factors to the deficit include, delayed program savings in the pharmacy, overly aggressive savings budgeted in physician contracting and increased labor costs due to difficulty in recruiting nurses and nursing ratios. While drug costs have come under budget for the month of January, a year-end shortfall is still projected. All physician contracts are also being reviewed at the time of renewal. However, this process has taken longer than projected, resulting in less savings. Expenditures for Nursing Registry have exceeded budget due to a higher than anticipated vacancy rate resulting in higher replacement costs and increased needs to meet ratio requirements.

Vision Alignment

This ATR for the additional funding reflects the County's commitment to ensuring basic health and safety for all, along with goal number 8, helping vulnerable people achieve a better quality of life.

Fiscal Impact

The attached ATR transfers \$3,700,000 from the General Fund to allow the Medical Center to continue operations without interruption. The transfers will increase the amount currently borrowed by the San Mateo Medical Center from the General Fund. A schedule for repayment will be prepared by the end of this Fiscal Year.