

## Response to Questions on the FY 2014 Budget

**Request By:** Supervisor Herrity

**Question:** Provide information over the last three years on the size and cost of the Health Department budget. Please identify state funding provided to support the Health Department.

**Response:** Total expenditures included in the FY 2014 Advertised Budget Plan for the Health Department is \$51.7 million. This level is consistent with the FY 2013 Adopted Budget Plan of \$52.5 million and FY 2012 Actuals of \$51.3 million. There was a \$4.6 million increase in total expenditures between FY 2011 and FY 2012 primarily due to the additional Public Health Nurse positions added in support of school health functions and the 2.0 percent market rate adjustment, effective September 2011.

The Health Department receives revenue from the state based on a formula which partially funds department-wide functions such as environmental health services, dental services, family planning and general medical services, disease investigation, laboratory and pharmacy services, health education services, and emergency preparedness. The Health Department also receives state revenue for school health functions. As the Board may recall, in FY 2011, revenue previously provided to Fairfax County Public Schools was moved to the Health Department. This realignment was done in an effort to recognize that the County incurs the majority of expenses for school health services. In FY 2014 it is anticipated that approximately \$13.4 million will be received from the state.

Additionally, revenue is generated from fees charged for services, permits, licenses etc. For example, fees are charged for inspections, building permits, plans for food establishments, onsite sewage disposal, water well systems, and swimming pool facilities. Individuals are also charged a fee for health-related services such as x-rays, pregnancy testing, prenatal care, laboratory tests, pharmacy services, primary care services, adult immunizations, and Adult Day Health Care participation. Eligible health-related services are billed to Medicare, Medicaid, and other third party payers for covered enrollees. In FY 2014 it is anticipated that approximately \$5.8 million in revenue will be collected from these other revenue sources.

Total revenue included in the FY 2014 Advertised Budget Plan is \$19.2 million. Therefore, the anticipated net cost to the County is \$32.5 million or 62.8 percent. This is consistent with the FY 2013 Adopted Budget and FY 2012 Actuals. The table below summarizes Health Department funding:

<b>Category</b>	<b>FY 2014 Advertised</b>	<b>FY 2013 Adopted</b>	<b>FY 2012 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2010 Actual</b>
Total Expenditures	\$51,704,161	\$52,484,280	\$51,278,368	\$46,655,718	\$46,577,027
State Revenue	\$13,454,153	\$12,938,609	\$13,572,704	\$12,989,236	\$9,395,489
Other Revenue	\$5,764,234	\$5,511,183	\$5,424,369	\$6,752,284	\$5,873,696
Total Revenue	\$19,218,387	\$18,449,792	\$18,997,073	\$19,741,520	\$15,269,185
<b>Net Cost</b>	<b>\$32,485,774</b>	<b>\$34,034,488</b>	<b>\$32,281,295</b>	<b>\$26,914,198</b>	<b>\$31,307,842</b>
<b>Percent Net Cost</b>	<b>62.8%</b>	<b>64.8%</b>	<b>63.0%</b>	<b>57.7%</b>	<b>67.2%</b>