

Center for Health Care Quality (CHCQ)

**Fiscal Year 2017-18
May Revision Estimate**



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I. Center Overview

The California Department of Public Health (CDPH), Center for Health Care Quality (CHCQ), Licensing & Certification Program, is responsible for regulatory oversight of licensed health care facilities and health care professionals to provide safe, effective, and quality health care for all Californians. CHCQ fulfills this role by conducting periodic inspections and complaint investigations of health care facilities to oversee compliance with federal and state laws and regulations. CHCQ licenses and certifies over 7,500 health care facilities and agencies in California in 30 different licensure and certification categories.

The U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services awards federal grant monies to CHCQ to certify that facilities accepting Medicare and Medicaid (Medi-Cal) payments meet federal requirements. CHCQ evaluates health care facilities for compliance with state and federal laws and regulations, and contracts with the Los Angeles County Department of Public Health to certify health care facilities located in Los Angeles County.

In addition, CHCQ oversees the certification of nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators. These activities are funded by the State Department of Public Health Licensing and Certification Program Fund (Fund 3098), federal funds (Title XVIII and Title XIX Grants), reimbursements associated with interagency agreements with the Department of Health Care Services, and General Fund to support survey activities in state-owned facilities.

II. Center for Health Care Quality Budget Projections

Current Year 2016-17

For 2016-17, CHCQ projects expenditures will total \$266.5 million, which is an increase of \$3.3 million or 1.3 percent from the 2017-18 Governor's Budget. This increase is the result of the Employee Compensation Adjustment – Item 9800.

Budget Year 2017-18

For 2017-18, CHCQ estimates expenditures will total \$263.9 million, which is an increase of \$1.2 million or 0.5 percent from the 2017-18 Governor's Budget. This increase is the result of the Employee Compensation Adjustment – Item 9800.

Table 1 below compares the 2017-18 Governor's Budget with the 2017-18 May Revision Estimate for the current year 2016-17 and budget year 2017-18.

Table 1
Comparison of 2017-18 Governor's Budget with 2017-18 May Revision
(\$ in thousands)

Funding Source (\$ in thousands)	Current Year 2016-17				Budget Year 2017-18			
	2017-18 Governor's Budget	2017-18 May Revision	Change from 2017- 18 Governor's Budget to 2017-18 May Revision	Percent Change from 2017- 18 Governor's Budget to 2017-18 May Revision	2017-18 Governor's Budget	2017-18 May Revision	Change from 2017- 18 Governor's Budget to 2017-18 May Revision	Percent Change from 2017- 18 Governor's Budget to 2017-18 May Revision
Appropriations Summary:								
0001 - General Fund transfer to fund 3098	\$3,700	\$3,700	\$0	0.0%	\$3,700	\$3,700	\$0	0.0%
0890 - Federal Trust Fund ¹	\$95,386	\$95,893	\$507	0.5%	\$97,296	\$97,570	\$274	0.3%
0942-222 - Internal Departmental Quality Improvement Account	\$2,304	\$2,304	\$0	0.0%	\$2,389	\$2,389	\$0	0.0%
0942-601 - State Health Facilities Citation Penalty Account	\$2,144	\$2,144	\$0	0.0%	\$2,144	\$2,144	\$0	0.0%
0942-605 - Federal Health Facilities Citation Penalty Account	\$973	\$973	\$0	0.0%	\$973	\$973	\$0	0.0%
0995 - Reimbursements ¹	\$16,444	\$16,572	\$128	0.8%	\$9,672	\$9,706	\$34	0.2%
3098 - Licensing and Certification Program Fund ¹	\$145,987	\$148,643	\$2,656	1.8%	\$150,236	\$151,145	\$909	0.6%
<i>Less Transfer from General Fund 0001</i>	<i>-\$3,700</i>	<i>-\$3,700</i>	<i>\$0</i>	<i>0.0%</i>	<i>-\$3,700</i>	<i>-\$3,700</i>	<i>\$0</i>	<i>0.0%</i>
3151 - Internal Health Information Integrity Quality Improvement Account	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%
Total Appropriations	\$263,238	\$266,529	\$3,291	1.3%	\$262,710	\$263,927	\$1,217	0.5%
Field Positions - Health Facility Evaluator Nurse	600.2	600.2	0.0	0.0%	600.2	600.2	0.0	0.0%
Field Positions - Other	453.1	453.1	0.0	0.0%	453.1	453.1	0.0	0.0%
Headquarters Positions	245.0	245.0	0.0	0.0%	251.0	251.0	0.0	0.0%
Center Positions	1298.3	1298.3	0.0	0.0%	1304.3	1304.3	0.0	0.0%

¹ Includes the Employee Compensation Adjustment - Item 9800

Workload Analysis

The 2017-18 May Revision workload analysis is unchanged from the 2017-18 November estimate. The workload analysis indicates an increase of 79 Health Facilities Evaluator Nurse positions and 49.4 support and supervisor positions (128.4 positions in total), compared with current staffing levels, is required to complete 100 percent of the mandated workload. The estimated 79 Health Facilities Evaluator Nurses reflects a change of 11.6 percent compared with current staffing levels. CHCQ attributes approximately 18 of the 79 surveyor positions to an overall increase in the number of new and pending complaints, an increase of approximately two percent in standard average hours, and inclusion of pending initial licensure applications. The remaining 61 of the 79 surveyor positions reflect the staffing associated with Los Angeles County workload that is not included in the current contract. Due to the additional positions received in 2015-16, CHCQ has not requested additional position authority for these positions. The current Los Angeles County contract, which ends June 30, 2018, does not include 100 percent of the Tier 3 and Tier 4 federal workload, state licensure activities, or complaints and entity-reported incidents in Los Angeles County. Currently, CHCQ uses state staff to address only the highest priority activities of this unfunded work in Los Angeles County. CHCQ is evaluating its ability to absorb this workload within existing resources. CHCQ continues to have a high vacancy rate. As of March 2017, the overall vacancy rate is 15.1% and 16.8% for Health Facilities Evaluator Nurse positions. CHCQ is working with recruitment consultants to aggressively recruit and fill Health Facilities Evaluator Nurse positions. As such, CHCQ does not request these positions at this time.

SB 857 (Chapter 31, Statutes of 2014) Reporting Requirements

SB 857 (Chapter 31, Statutes of 2014) requires CDPH to report annually on the status of the Internal Departmental Quality Improvement Account and the Los Angeles County Contract. SB 857 also required CDPH to submit a report to the Legislature assessing the use of non-registered nurses to conduct regulatory activities (located at: <http://cdphinternet/programs/LnC/Documents/RN%20Surveyor%20Report%20to%20the%20Legislature%20Final%20for%20Posting.pdf>). In the report, CDPH described the creation of the Medical Breach Enforcement Unit Pilot Project. The report also indicated that CDPH will periodically provide updates in its November Estimates on the pilot's progress.

Medical Breach Enforcement Unit – Pilot Project

In December 2015, using existing position authority, CDPH initiated a pilot program to use Associate Governmental Program Analysts (AGPAs) and Special Investigators (SIs) spread across the six regions of the state to investigate medical information breaches. The staff are being stationed around the state in the following regions:

1. Chico, Sacramento, Santa Rosa; 2. East Bay, San Francisco, San Jose; 3. Bakersfield and Fresno, 4. Riverside, San Bernardino; 5. Orange, San Diego North, San Diego South; and 6. Ventura, Los Angeles. Previously, Health Facilities Evaluator Nurses (HFENs) were the primary investigators of medical information breaches. Because this type of investigation does not require the clinical expertise of a registered nurse, transferring these investigations to AGPAs and SIs enables HFENs to focus their clinical expertise on surveys and complaint and entity-reported incident investigations.

CDPH reclassified ten HFENs and associated support positions to create a Medical Breach Enforcement Unit (MBEU) and has filled six of the positions. The MBEU has assumed responsibility for all medical breach investigations in the Los Angeles, San Diego North, San Diego South, East Bay, Chico, and Orange County district offices. AGPAs and SIs have demonstrated the ability to effectively complete breach investigations. Pending an evaluation of the MBEU's investigations, CDPH will transition all remaining medical information breach workload to MBEU, and will report on the unit's progress in future November Estimates.

Los Angeles County Monitoring and Performance

CDPH has developed an operating plan, organizational structure, processes, and metrics for measuring and monitoring Los Angeles County's performance, and negotiated a three-year contract, effective July 1, 2015, through June 30, 2018, incorporating these features. Actions include:

- Designating a Branch Chief and an LA County Monitoring Unit staffed by a HFEN supervisor, two HFEN surveyors, and a retired annuitant to provide oversight and monitoring of LA County's performance, including on-site review, observation, data analysis, and audits.
- Providing focused training to LA County Health Facilities Inspection Division (HFID) staff.

- Implementing a review tool to provide correct processing of deficiency findings and citations by HFID supervisors and managers.
- Performing concurrent on-site quality reviews of surveys with HFID staff using a state observation survey analysis process and providing targeted training to address identified issues.
- Performing quarterly audits of quality, prioritization, and principles of documentation.
- Creating a performance metrics worksheet for effective tracking of contracted workload.
- Establishing biweekly conference calls with HFID management to review performance metrics, discuss workload management, solve problems, and build collaboration.
- Providing written feedback to HFID management regarding identified concerns and requiring corrective action plans when appropriate.

Internal Departmental Quality Improvement Account Project Update

In 2015-16, CDPH/CHCQ received expenditure authority of \$2.3 million from the Internal Departmental Quality Improvement Account and used these funds to purchase hardware and software to develop internal and external performance dashboards, automate key business practices, and streamline data collection from regulated entities. Further, CDPH executed contracts to improve CHCQ's hiring, onboarding, and retention practices. CHCQ has also used the funds to continue to fund a project manager/change consultant.

In 2016-17, CDPH received expenditure authority of \$2.3 million from the Internal Departmental Quality Improvement Account and is using these funds to redesign the Centralized Applications Unit's IT systems and the Health Facilities Consumer Information System, and complete contracted services for project and change management, recruitment, and onboarding and retention.

As of January 2017 the balance was \$17 million. CDPH projects the fund balance will be \$17.8 million by July of 2017.

III. Resource Estimate Methodology/Key Drivers of Cost

The CHCQ Estimate projects the workload associated with all programmatic functions and the corresponding number of positions needed to perform these functions.

CHCQ determines workload based on the following cost drivers:

- **Facility Count** – The number of health care facilities to survey or investigate.
- **Activity Count** – The number of pending and projected activities for CHCQ staff to perform. CHCQ projects the number of new and renewal licensing and certification surveys and complaint investigations CHCQ will conduct in 2017-18. Some activities must occur on a specified frequency. The Estimate includes the

workload associated with the number of pending complaints the program anticipates will remain from prior years that it will complete in the budget year.

- **Standard Average Hours** – The number of hours needed to complete an activity. CHCQ calculates this number for each activity by facility type based on the actual average time spent on the activity by facility type in the past three years.

To estimate the workload for each activity by facility type, CHCQ uses the following formulae:

- Complaint and other variable workload hours = Standard average hours x projected activity count.
- Survey workload hours = Standard average hours x facility count x required frequency.

CHCQ then calculates the amount of additional time associated with non-survey functions (e.g., federal and state training, meetings, etc.) to calculate the overall time required by Health Facilities Evaluator Nurses and Health Consultants. Finally, CHCQ uses the total number of Health Facilities Evaluator Nurses to calculate the number of supervisors and administrative positions needed to support these nurses.

IV. Assumptions

Future Fiscal Issues

CHCQ has no future fiscal issues.

New Assumptions/Premises

CHCQ has no new assumptions/premises.

Existing (Significantly Changed) Assumptions/Premises

CHCQ has no existing (significantly changed) assumptions/premises.

Unchanged Assumptions/Premises

Budget Change Proposal – Preventing Healthcare-Associated Infections in Facilities

Background: California Health and Safety Code section 1288.8(e) requires CDPH to establish a Healthcare-Associated Infections (HAI) Program for the surveillance, prevention, and control of HAIs, and must publish an annual report of HAIs reported by California hospitals.

Current state funding supports 14 civil service positions to enable CDPH to fulfill the statutory mandates of collecting and publishing HAI Program data and supporting an advisory committee.

In January 2016, CDPH transferred the costs associated with 10 liaison infection preventionists (not part of the 14 state civil service positions mentioned above) to another federal grant supported by one-time Centers for Disease Control and Prevention (CDC) Epidemiology and Laboratory Capacity for Infectious Diseases Ebola Supplemental funds. As a result of this new federal funding, the HAI Program expanded the prevention outreach beyond hospitals to skilled nursing facilities, ambulatory surgery centers, and dialysis clinics. Funding for 8 of the 10 positions will end in March 2018. The HAI Program anticipates ongoing CDC funding will be available to continue to support the remaining two liaison infection preventionists.

Description of Change: CHCQ requests \$991,000 from the State Department of Public Health Licensing and Certification Program Fund to fund six permanent, full-time positions for the HAI Program. CHCQ requests the following positions: four Nurse Consultant III (Specialists), one Public Health Medical Administrator I, and one Health Program Manager I.

Discretionary?: Yes

Reason for Adjustment/Change: CHCQ requests ongoing funding and positions to continue and expand vital HAI prevention work. As funding for 8 of the 10 contracted liaison infection preventionists will end March 2018, the positions requested will support the continuity of the statewide structure needed to provide direct HAI prevention support to hospitals and other health care providers. CDPH will use the requested positions to provide high-level oversight of program activities that require clinical expertise and experience with medical assessment and decision-making; meet the growing demand for management support of the legislatively mandated HAI Advisory Committee; and improve distribution of HAI information and content to health care providers and the public.

Fiscal Impact and Fund Source(s): \$991,000 from the State Department of Public Health Licensing and Certification Program Fund – Fund 3098.

Budget Change Proposal – Licensing & Certification: Performance Measurement and Quality Improvement

Background: Health and Safety Code section 1280.15 (f) establishes the Internal Departmental Quality Improvement Account and provides that “moneys in the account shall be expended for internal quality improvement activities in the Licensing and Certification Program.” The account is funded by the administrative penalties CDPH imposes against health facilities for violations that meet the definition of Immediate Jeopardy of death or serious harm to a patient, or administrative penalties associated with breaches of medical information.

In June 2012, the Centers for Medicare and Medicaid Services required CDPH to assess its survey and certification operations. CDPH contracted with Hubbert Systems Consulting. In August 2014, Hubbert Systems Consulting provided a final report containing 21 recommendations to “allow for meaningful, measurable improvements in the Program’s performance.”

In 2016-17, CDPH received expenditure authority of \$2.3 million from the Internal Departmental Quality Improvement Account and is using these funds to redesign the Centralized Applications Unit’s information technology systems, the Health Facilities Consumer Information System, and complete contracted services for project change management, recruitment, onboarding, and retention.

Description of Change: CHCQ requests expenditure authority of \$2 million in each of the fiscal years 2017-18, 2018-19, and 2019-20 to execute quality improvement projects and contracts.

Discretionary?: Yes

Reason for Adjustment/Change: The contracts will allow CHCQ to address additional quality improvement recommendations stemming from the Hubbert Consulting report.

Fiscal Impact and Fund Source(s): \$2 million in each of the fiscal years 2017-18, 2018-19, and 2019-20 from the Internal Departmental Quality Improvement Account – Fund 0942-222.

Budget Change Proposal – Licensing & Certification: Los Angeles County Contract

Background: In July 2015, CDPH executed a new three-year contract with Los Angeles County for \$41.8 million per year. The 2016 Budget Act authorized an additional \$2.1 million in expenditure authority for a total budget of \$43.9 million for Los Angeles County to conduct Tier 1 and Tier 2 federal workload, long-term care complaints and entity-reported incidents, and pending complaints and entity-reported incidents.

Description of Change: CHCQ requests an increase in expenditure authority of \$1.1 million from the State Department of Public Health Licensing and Certification Program Fund for the Los Angeles County contract to account for the annual cost of a 3 percent salary increase effective October 2016, and two 2 percent salary increases effective October 2017 and April 2018. The \$1.1 million reflects the annual cost of the 3 percent salary increase effective October 2016; and the partial year costs for the 2 percent salary increase from October 2017 to June 2018 and the 2 percent increase from April 2018 to June 2018. This proposal funds the current contract positions at the county-approved LA County salary rates, which will increase the total annual budget of the contract to \$45 million.

Discretionary?: No

Reason for Adjustment/Change: Due to the timing of Los Angeles County's approval of salary increases, these costs were unforeseen and not included in the current contract. If this request is not approved, the Los Angeles County contract will not be fully funded and Los Angeles County will not be able to pay for the staff necessary to complete the contracted workload. This will result in increased vacancies to offset the insufficient funding, fewer complaints addressed in a timely manner, greater backlogs of open complaints, and the potential loss of future Centers for Medicare and Medicaid Services grant awards due to lack of compliance.

Fiscal Impact and Fund Source(s): \$1.1 million from the State Department of Public Health Licensing and Certification Program Fund – Fund 3098.

Discontinued Assumptions/Premises

CHCQ has no discontinued assumptions/premises.

V. **Appendix A****Fiscal Summary**

Comparison of 2017-18 Governor's Budget with 2017-18 May Revision Estimate
(\$ in thousands)

	A	B	C=B-A
	2017-18 Governor's Budget	2017-18 May Revision Estimate	Request
I. BUDGET ITEMS:			
A. Headquarters			
Headquarters Sub-total	47,607	47,607	-
B. Field Operations			
Licensing and Certification Sub-total	160,124	160,124	-
Los Angeles County Contract Sub-total	45,022	45,022	-
State Facilities Section Sub-total	5,670	5,670	-
Field Operations Sub-total	210,816	210,816	-
C. Partial Year Adjustment ¹	(3,119)	(1,902)	1,217
D. Pro Rata and SWCAP	7,406	7,406	-
E. Grand Total	\$ 262,710	\$ 263,927	\$ 1,217
II. FUND SOURCES:			
A. General Fund (0001) Transfer to State Department of Public Health	\$ 3,700	\$ 3,700	-
Licensing and Certification Program Fund 3098			
B. Federal Trust Fund (0890) ¹	97,296	97,570	274
C. Special Deposit Fund (0942)			
1. Internal Departmental Quality Improvement Account (IDQIA) (222)	2,389	2,389	-
2. State Citation Penalty Account (601)	2,144	2,144	-
3. Federal Citation Penalty Account (605) ²	973	973	-
D. Reimbursement (0995) ¹	9,672	9,706	34
E. Internal Information Integrity Quality Improvement Account (3151)	-	-	-
F. State Department of Public Health Licensing and Certification Program Fund	150,236	151,145	909
3098 ^{1,2}			-
Less transfer from the General Fund (0001)	(3,700)	(3,700)	-
G. Grand Total	\$ 262,710	\$ 263,927	\$ 1,217
III. TOTAL CENTER POSITIONS:			
A. Headquarters	251.0	251.0	-
B. Field Operations - Licensing & Certification	1,015.3	1,015.3	-
C. Field Operations - State Facilities Section	38.0	38.0	-
D. Grand Total	1,304.3	1,304.3	-

¹ Includes Employee Compensation Adjustment - Item 9800² Includes Local Assistance

VI. **Appendix B****Positions Summary**

Comparison of 2017-18 Governor's Budget with 2017-18 May Revision Estimate

	A	B	C	D=B+C	E=D-A
	2017-18 Governor's Budget	2017-18 Workload Analysis	Adjustments to workload analysis*	Final May Revision Estimate 2017-18	Request
TOTAL CENTER POSITIONS	1,304.3	1,432.7	(128.4)	1,304.3	-
Headquarters					
Research & Operations Management Branch	35.0	35.0	-	35.0	-
Policy & Enforcement Branch (PEB)	27.0	27.0	-	27.0	-
Staffing Audit and Research (STAAR) Branch	47.0	47.0	-	47.0	-
Professional Certification Branch	104.0	104.0	-	104.0	-
Deputy Director's Office	4.0	4.0	-	4.0	-
Healthcare Associated Infections (HAI) Program	22.0	22.0	-	22.0	-
Division Office	12.0	12.0	-	12.0	-
Headquarters Total	251.0	251.0	-	251.0	-
Field Operations					
Administrative Staff	133.2	133.2	-	133.2	-
Health Facility Evaluator Nurse	576.2	665.8	(89.6)	576.2	-
Consultants	59.0	71.2	(12.2)	59.0	-
Health Facility Evaluator II Supervisors	105.3	125.6	(20.3)	105.3	-
Support Staff	115.8	134.2	(18.4)	115.8	-
Life Safety Code - Health Facility Evaluator I	15.8	15.8	-	15.8	-
Life Safety Code - Health Facility Evaluator II Supervisors	5.0	5.0	-	5.0	-
Life Safety Code - Support Staff	5.0	5.0	-	5.0	-
Field Operations Total	1,015.3	1,155.9	(140.6)	1,015.3	-
State Facilities Section					
Administrative Staff	6.0	6.0	-	6.0	-
Health Facility Evaluator Nurse	24.0	13.4	10.6	24.0	-
Consultants	-	1.4	(1.4)	-	-
Health Facility Evaluator II Supervisors	3.0	2.3	0.7	3.0	-
Support Staff	5.0	2.7	2.3	5.0	-
State Facilities Section Total	38.0	25.8	12.2	38.0	-
Total Field Operations Health Facility Evaluator Nurses**	600.2	679.2	(79.0)	600.2	-

* Adjustment from workload analysis to not request an increase in position authority.

** Reflects Health Facility Evaluators Nurses within Field Operations and State Facilities Section.

VII. Appendix C

Detailed Assumptions

1. Methodology:

To estimate the workload for each facility type, CHCQ uses the following general formulae:

- Complaint workload = Standard average hours x activity count (projected complaints).
- Survey workload = Standard average hours x facility count x required frequency (if applicable).

CHCQ then estimates the positions needed to accomplish the workload. Specifically, the formulae for estimating positions are:

Health Facilities Evaluator Nurse positions (for complaints, entity-reported incidents, and other non-periodic workload):

- Health Facilities Evaluator Nurse = ([standard average hour x activity count]/non-survey factor)/1,800 hours.

Health Facilities Evaluator Nurse positions (for surveys):

- Health Facilities Evaluator Nurse = ([standard average hour x facility count x mandated frequency rate]/non-survey factor)/1,800 hours.

Supervisor and support staff positions:

- Supervisors = 1 supervisor to 6 Health Facilities Evaluator Nurses.
- Support staff for state workload = 1 support staff to 6 Health Facilities Evaluator Nurses and supervisors.
- Support staff for federal workload = 1 support staff to 5 Health Facilities Evaluator Nurses and supervisors.

2. Facility Counts:

A health facility means any facility or building that is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer.

- CHCQ counts facilities by facility type (e.g., skilled nursing facility, general acute care hospital, home health agency, etc.), and facilities opened as of a point-in-time of the current fiscal year as reported by the Centers for Medicare and Medicaid Services' Automated Survey Processing Environment for certified facilities, and facilities open as of July 2016 as reported in the Electronic Licensing Management System.
- CHCQ counts only active and open main facilities and skilled nursing distinct part facilities for purposes of this Estimate.
- For some facility types, there may be a difference in the number of licensed facilities versus the number of certified facilities. This is because some facilities are licensed only or certified only. Additionally, there may be minor discrepancies due to the use of different data sources required by the Centers

for Medicare and Medicaid Services, and/or the timing of data reconciliation activities.

CHCQ updated facility counts as of July 18, 2016.

3. Health Care Facility List:

- Adult Day Health Centers
- Alternative Birthing Centers
- Acute Psychiatric Hospitals
- Chronic Dialysis Clinics
- Chemical Dependency Recovery Hospitals
- Congregate Living Health Facilities
- Community Clinic/Free Clinic/Community Mental Health Center
- Correctional Treatment Centers
- General Acute Care Hospitals
- Home Health Agencies
- Hospice
- Hospice Facilities
- Intermediate Care Facilities
- Intermediate Care Facilities—Developmentally Disabled (DD):
DD—Habilitative; DD—Nursing
- Pediatric Day Health/Respite Care
- Psychology Clinics
- Referral Agencies
- Rehabilitation Clinics
- Skilled Nursing Facilities
- Surgical Clinics

4. Survey Activities:

CHCQ bases licensing survey activities on state mandated requirements. Surveyors perform the following state licensing activities:

- Re-licensure
- Re-licensure – Follow-up
- Initial Licensure
 - Including outstanding pending initial licensure applications.
- Initial Licensure – Follow-up
- Complaint Investigations/Entity-Reported Incident Investigations – State
- Field Visits
- Review Medical Error Plan

CHCQ bases certification survey activities on the federal Centers for Medicare and Medicaid Services' tiered activity requirements. Surveyors perform the following federal certification activities:

- Re-certification
- Re-certification – Follow-up
- Initial Certification
- Initial Certification – Follow-up
- Life Safety Code
- Life Safety Code – Follow-up
- Complaint/Entity-Reported Investigations – Federal
- Complaint Validation
- Validation
- Validation – Follow-up
- Informal Dispute Resolution
- Federal Hearings
- Pre-Referral Hearings
- Monitoring Visits

5. Time Entry and Activity Management:

The provisions of Health and Safety Code section 1266(e) require CHCQ to capture and report workload data by category (survey activity and facility type). The Time Entry and Activity Management system captures data on the number of survey counts and the total hours spent for each survey activity to determine the standard average hours that it takes to accomplish specific workload.

6. Survey Workload:

Survey workload is either state mandated (licensing survey) or federal Centers for Medicare and Medicaid Services mandated (certification survey).

7. Standard Average Hours:

Standard average hours are the average hours each survey activity takes to complete. CHCQ used July 1, 2013, through June 30, 2016 closed complaints and exited survey data to calculate standard average hours for this Estimate.

8. Complaint and Entity-Reported Incident Counts:

CHCQ bases complaint and entity-reported incident counts on the number of complaints and entity-reported incidents received between July 1, 2013, and June 30, 2016, as reported in the Automated Survey Processing Environment database.

9. Open Complaints and Entity-Reported Incidents:

CHCQ bases the open complaints and entity-reported incidents count on all open complaints and entity-reported incidents as of June 30, 2016.

10. Annualized Workload Hours:

CHCQ determines annualized workload by the corresponding state or federal mandated survey requirements, multiplied by the standard average hours, adjusted to include non-survey administration hours.

11. Surveyor Positions:

Surveyor positions consist of Health Facilities Evaluator Nurses and Medical Consultants. Consultant positions make up 9.46 percent of total surveyors. CHCQ uses 1,800 functional hours per position per year for state field operations staff. The Los Angeles County contract uses 1,760 functional hours per position per year for its equivalent staff.

12. Position Classification Costing:

CHCQ bases salaries for Headquarters and Field Operations administrative staff on the mid-step salary range and varying rates of travel, as reflected in the Operating Expenses and Equipment costs (chart below). CHCQ operating expenses and equipment costs are based on standard costs for the department. The Health Facilities Evaluator Nurse classification includes high travel for all surveyors, and additional training costs of \$3,472.

Operating Expenses and Equipment		
STANDARD COSTS	FY 2016/17	FY 2017/18
General Expense	\$ 3,400	\$ 3,400
Printing	1,800	1,800
Communications	1,300	1,300
Travel – Light	3,000	3,000
Travel – Medium	7,500	7,500
Travel – High	13,000	13,000
Training	300	300
Facilities	10,500	10,500
Data Center	300	300
Office Automation*		2,000

* One-time cost to set up new positions

ADDITIONAL COSTS

HFEN Training	\$ 3,472	\$ 3,472
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- Operating Expenses and Equipment costs for all non-Health Facilities Evaluator Nurses assumes light travel in 2017-18.

13. Staffing Ratios:

State Ratios:

- CHCQ computes the allocation of the Health Facilities Evaluator II Supervisor positions using a (1:6) ratio: 1 Health Facilities Evaluator II Supervisor for every 6 Health Facilities Evaluator Nurses.
- CHCQ computes the allocation of the Program Technician II positions using a (1:6) ratio: 1 Program Technician II for every 6 of the combined Health Facilities Evaluator Nurses and Health Facilities Evaluator II Supervisors.

Federal Ratios:

- CHCQ computes the allocation of the Health Facilities Evaluator II Supervisor positions using a (1:5) ratio: 1 Health Facilities Evaluator II Supervisor for every 5 Health Facilities Evaluator Nurses.
- CHCQ computes the allocation of the Program Technician II positions using a (1:5) ratio: 1 Program Technician II for every 5 Health Facilities Evaluator Nurses and Health Facilities Evaluator II Supervisors.

The Los Angeles County contract uses the same state and federal staffing ratios listed above.

14. CHCQ displays all surveyor workload and related administrative costs for Los Angeles County Contract #15-10003 Amendment 02 (Amendment 02 currently pending contract execution) separately, and uses \$43,922,753 as the annual base.

15. CHCQ updated federal grant workload to reflect the 2016 grant.

16. Fund Sources:

- General Fund (0001)
- Federal Trust Fund (0890):
 - Title XVIII Long Term Care
 - Title XVIII Non-Long Term Care
 - Title XVIII Hospice Care
 - Title XIX Long Term Care
 - Title XIX Non-Long Term Care
- Special Deposit Fund (0942)
 - Internal Departmental Quality Improvement Account (222)
 - Skilled Nursing Facility Minimum Staffing Penalty Account (248)
 - State Health Facilities Citation Penalties Account (601)
 - Federal Health Facilities Citation Penalties Account (605)
- Reimbursements (0995)
- State Department of Public Health Licensing & Certification Program Fund (3098)

17. Contract costs are included for executed contracts only.

Changes to Detailed Assumptions from the 2017-18 November Estimate

- There are no changes to Detailed Assumptions from the 2017-18 November Estimate.

VIII. Appendix D

Field Operations Workload Driver Summary Chart
2016-17 Final Workload Analysis vs. 2017-18 Workload Analysis

Facility Type	Facility Count		Estimated Activity Count	Estimated Activity Hours
TOTALS	Federal	State		
2017-18 Workload Analysis	6,651	5,757	66,757	1,667,022
2016-17 Final Workload Analysis	6,651	5,724	61,480	1,564,141
INC/(DEC)	-	33	5,277	102,881
1. Alternative Birthing Centers (ABC)				
2017-18 Workload Analysis	-	11	7	169
2016-17 Final Workload Analysis	-	10	5	134
INC/(DEC)		1	2	36
2. Adult Day Health Centers (ADHC)				
2017-18 Workload Analysis	-	266	194	8,003
2016-17 Final Workload Analysis	-	265	206	9,848
INC/(DEC)		1	(12)	(1,844)
3. Acute Psychiatric Hospitals (APH)				
2017-18 Workload Analysis	38	39	955	14,588
2016-17 Final Workload Analysis	38	37	857	14,133
INC/(DEC)	-	2	99	455
4. Chronic Dialysis Clinics (CDC)				
2017-18 Workload Analysis	614	22	895	55,194
2016-17 Final Workload Analysis	614	21	753	47,728
INC/(DEC)	-	1	142	7,466
5. Chemical Dependency Recovery (CDR)				
2017-18 Workload Analysis	-	8	34	808
2016-17 Final Workload Analysis	-	7	48	1,048
INC/(DEC)		1	(14)	(241)
6. Congregate Living Health Facilities (CLHF)				
2017-18 Workload Analysis	-	125	209	4,804
2016-17 Final Workload Analysis	-	107	149	3,190
INC/(DEC)		18	61	1,614
7. Community Clinic/Free Clinic (CC)				
2017-18 Workload Analysis	357	1,079	1,112	22,085
2016-17 Final Workload Analysis	357	1,148	1,065	26,480
INC/(DEC)	-	(69)	47	(4,395)
8. Correctional Treatment Centers (CTC)				
2017-18 Workload Analysis	-	21	628	7,033
2016-17 Final Workload Analysis	-	21	559	8,165
INC/(DEC)		-	69	(1,132)
9. General Acute Care Hospitals (GACH)				
2017-18 Workload Analysis	446	426	16,974	328,542
2016-17 Final Workload Analysis	446	426	16,904	313,563
INC/(DEC)	-	-	70	14,978
10. Home Health Agencies (HHA)				
2017-18 Workload Analysis	1,299	277	1,382	74,888
2016-17 Final Workload Analysis	1,299	262	1,282	70,879
INC/(DEC)	-	15	100	4,009

Appendix D (Continued)**Field Operations Workload Driver Summary Chart**
2016-17 Final Workload Analysis vs. 2017-18 Workload Analysis

Facility Type	Facility Count		Estimated Activity Count	Estimated Activity Hours
11. Hospice (H)				
2017-18 Workload Analysis	638	1,007	541	16,669
2016-17 Final Workload Analysis	640	860	566	17,041
INC/(DEC)	(2)	147	(25)	(372)
12. Hospice Facilities (HOFA)				
2017-18 Workload Analysis	-	9	10	251
2016-17 Final Workload Analysis	-	10	13	440
INC/(DEC)	-	(1)	(3)	(189)
13. Intermediate Care Facilities (ICF)				
2017-18 Workload Analysis	-	4	1,676	19,690
2016-17 Final Workload Analysis	-	5	1,482	19,715
INC/(DEC)		(1)	194	(26)
14. ICF-DD/DDH/DDN				
2017-18 Workload Analysis	1,160	1,163	10,116	177,877
2016-17 Final Workload Analysis	1,160	1,175	9,822	172,605
INC/(DEC)	-	(12)	294	5,272
15. Pediatric Day Health/Respite (PDHR)				
2017-18 Workload Analysis	-	16	20	1,195
2016-17 Final Workload Analysis	-	16	15	1,142
INC/(DEC)		-	5	53
16. Psychology Clinics (PC)				
2017-18 Workload Analysis	-	21	8	424
2016-17 Final Workload Analysis	-	22	7	439
INC/(DEC)		(1)	1	(15)
17. Referral Agencies (RA)				
2017-18 Workload Analysis	-	2	-	0
2016-17 Final Workload Analysis	-	3	1	64
INC/(DEC)		(1)	(1)	(64)
18. Rehabilitation Clinics (RC)				
2017-18 Workload Analysis	105	12	45	4,491
2016-17 Final Workload Analysis	105	12	38	3,352
INC/(DEC)	-	-	7	1,138
19. Skilled Nursing Facilities (SNF)				
2017-18 Workload Analysis	1,227	1,242	31,267	890,407
2016-17 Final Workload Analysis	1,227	1,243	27,183	819,207
INC/(DEC)	-	(1)	4,084	71,200
20. Surgical Clinics (SC)				
2017-18 Workload Analysis	767	7	565	39,978
2016-17 Final Workload Analysis	767	6	536	34,272
INC/(DEC)	-	1	28	5,706

IX. Appendix E

FY 2016-17 Revenue and Transfer Summaries

(\$ in thousands)

	Fiscal Code	Federal Fund 0890	L&C Program Fund 3098	Special Deposit Fund 0942	General Fund 0001	Reimbursements 0995	TOTAL
FY 2016-17							
Revenue Projection by Fund Totals		\$ 95,090	\$ 123,059	\$ 8,681	\$ 3,700	\$ 16,572	\$ 247,102
State Department of Public Health Licensing and Certification Program Fund 3098							
Other Regulatory Licenses and Permits	4129400		\$ 122,916				\$ 122,916
Miscellaneous Services to the Public	4143500		\$ 11				\$ 11
Income from Surplus Money Investments	4163000		\$ 132				\$ 132
Special Deposit Fund 0942							\$ -
SB 1301 Health Facilities Reporting/Inspection Penalties (0942-222)	4172220			\$ 403			\$ 403
SB 1312 Health Care Facilities Penalties(0942-222)	4172220			\$ 2,711			\$ 2,711
Income from Surplus Money Investments (0942-222)	4163000			\$ 74			\$ 74
Skilled Nursing Facility Quality and Accountability (0942-248)	4172220			\$ 362			\$ 362
LTC State Civil Money Penalties (0942-601)	4172220			\$ 2,102			\$ 2,102
Income from Surplus Money Investments (0942-601)	4163000			\$ 43			\$ 43
Federal Citation Fines and Penalties External (0942-605)	4172240			\$ 2,947			\$ 2,947
Income from Surplus Money Investments (0942-605)	4163000			\$ 39			\$ 39
Federal Fund 0890							\$ -
Title 18 Long Term Care (LTC), Project No. 93777S	4400000	\$ 36,838					\$ 36,838
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000	\$ 14,540					\$ 14,540
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000	\$ 229					\$ 229
Title 19 Long Term Care (LTC) Project No. 93779S	4400000	\$ 35,961					\$ 35,961
Title 19 Non-long Term Care (NLTC), Project No. 93780S	4400000	\$ 7,060					\$ 7,060
Enhanced Background Check Process, Project No. 93506	4400000	\$ 462					\$ 462
Reimbursements 0995	4810000					\$ 16,572	\$ 16,572
General Fund 0001							
General Fund Transfer State Facilities Section Allocation					\$ 3,700		\$ 3,700

Descriptions:

General Fund – 0001. Government Code sections 16300-16315. The General Fund has existed since the beginning of the State as a political entity. It is the principal operating fund for the majority of governmental activities and consists of all money received in the Treasury that is not required by law to be credited to any other fund.

Reimbursements – 0995. This is a fund for budgetary purposes only. It is set up separately as a General Fund Special Account and is used in the schedule of appropriation for reimbursements. Reimbursement Fund 0995 is used in this purpose to capture the funding source.

General Fund for State Facilities Section – 0001. General Fund is the funding source to recoup fees for survey costs incurred in fee exempt state-owned facilities, including the state match cost of surveys performed in certified-only facilities. Funding is specifically appropriated from the General Fund in the annual Budget Act or other enacted legislation.

Federal Trust Fund – 0890. Chapter 1284, Statutes of 1978. Government Code sections 16360-16365. Section 16361 of the Government Code appropriates the fund, "...without regard to fiscal year, for expenditure for the purposes for which the money deposited therein is made available by the United States for expenditure by the state."

Title XVIII - Social Security Act, 1864(a). Medicare health insurance for the aged and disabled.

Title XIX - Social Security Act, 1902(a)(33)(B). Medicaid low income program that pays for the medical assistance for individuals and families of low income and limited resources.

Special Deposit Fund – 0942. Government Code sections 16370-16375, and 16377 provide that the fund is appropriated to fulfill the purposes for which payments into it are made. The fund was created by Statute in 1880 and codified by the Statutes of 1907 as Section 453a of the Political Code.

State Department of Public Health Licensing and Certification Program Fund – 3098. Chapter 483, Statutes of 2007 (SB 1039), Health and Safety Code section 1266.9. This fund is created in Chapter 528, Statutes of 2006. Original Administrative Organization Code 4260 was changed to 4265 when the Department of Health Services split into two departments effective July 2007 in accordance with Chapter 241, Statutes of 2007 (SB 162). This fund, originally titled the State Department of Health Services Licensing and Certification Program Fund, was retitled to the State Department of Public Health Licensing and Certification Program Fund in Chapter 483, Statutes of 2006 (SB 1039). Its purpose is to support the Licensing and Certification Program's operation.

Appendix E (Continued)

FY 2017-18 Revenue and Transfer Summaries

(\$ in thousands)

	Fiscal Code	Federal Fund 0890	L&C Program Fund 3098	Special Deposit Fund 0942	General Fund 0001	Reimbursements 0995	TOTAL
FY 2017-18							
Revenue Projection by Fund Totals		\$ 95,090	\$ 140,940	\$ 8,681	\$ 3,700	\$ 9,706	\$ 258,117
State Department of Public Health Licensing and Certification Program Fund 3098							
Other Regulatory Licenses and Permits	4129400		\$ 140,797				\$ 140,797
Miscellaneous Services to the Public	4143500		\$ 11				\$ 11
Income from Surplus Money Investments	4163000		\$ 132				\$ 132
Special Deposit Fund 0942							
SB 1301 Health Facilities Reporting/Inspection Penalties (0942-222)	4172220			\$ 403			\$ 403
SB 1312 Health Care Facilities Penalties(0942-222)	4172220			\$ 2,711			\$ 2,711
Income from Surplus Money Investments (0942-222)	4163000			\$ 74			\$ 74
Skilled Nursing Facility Quality and Accountability (0942-248)	4172220			\$ 362			\$ 362
LTC State Civil Money Penalties (0942-601)	4172220			\$ 2,102			\$ 2,102
Income from Surplus Money Investments (0942-601)	4163000			\$ 43			\$ 43
Federal Citation Fines and Penalties External (0942-605)	4172240			\$ 2,947			\$ 2,947
Income from Surplus Money Investments (0942-605)	4163000			\$ 39			\$ 39
Federal Fund 0890							
Title 18 Long Term Care (LTC), Project No. 93777S	4400000	\$ 34,571					\$ 34,571
Title 18 Non-long Term Care (NLTC), Project No. 31006S	4400000	\$ 13,146					\$ 13,146
Title 18 Non-long Term Care (NLTC)-Hospice, Project No. 31070S	4400000	\$ 974					\$ 974
Title 19 Long Term Care (LTC) Project No. 93779S	4400000	\$ 39,440					\$ 39,440
Title 19 Non-long Term Care (NLTC), Project No. 93780S	4400000	\$ 6,959					\$ 6,959
Reimbursements 0995	4810000					\$ 9,706	\$ 9,706
General Fund 0001							
General Fund Transfer State Facilities Section Allocation					\$ 3,700		\$ 3,700

Descriptions:

General Fund – 0001. Government Code sections 16300-16315. The General Fund has existed since the beginning of the State as a political entity. It is the principal operating fund for the majority of governmental activities and consists of all money received in the Treasury that is not required by law to be credited to any other fund.

Reimbursements – 0995. This is a fund for budgetary purposes only. It is set up separately as a General Fund Special Account and is used in the schedule of appropriation for reimbursements. Reimbursement Fund 0995 is used in this purpose to capture the funding source.

General Fund for State Facilities Section – 0001. General Fund is the funding source to recoup fees for survey costs incurred in fee exempt state-owned facilities, including the state match cost of surveys performed in certified-only facilities. Funding is specifically appropriated from the General Fund in the annual Budget Act or other enacted legislation.

Federal Trust Fund – 0890. Chapter 1284, Statutes of 1978. Government Code sections 16360-16365. Section 16361 of the Government Code appropriates the fund, "...without regard to fiscal year, for expenditure for the purposes for which the money deposited therein is made available by the United States for expenditure by the state."

Title XVIII - Social Security Act, 1864(a). Medicare health insurance for the aged and disabled.

Title XIX - Social Security Act, 1902(a)(33)(B). Medicaid low income program that pays for the medical assistance for individuals and families of low income and limited resources.

Special Deposit Fund – 0942. Government Code sections 16370-16375, and 16377 provide that the fund is appropriated to fulfill the purposes for which payments into it are made. The fund was created by Statute in 1880 and codified by the Statutes of 1907 as Section 453a of the Political Code.

State Department of Public Health Licensing and Certification Program Fund – 3098. Chapter 483, Statutes of 2007 (SB 1039), Health and Safety Code section 1266.9. This fund is created in Chapter 528, Statutes of 2006. Original Administrative Organization Code 4260 was changed to 4265 when the Department of Health Services split into two departments effective July 2007 in accordance with Chapter 241, Statutes of 2007 (SB 162). This fund, originally titled the State Department of Health Services Licensing and Certification Program Fund, was retitled to the State Department of Public Health Licensing and Certification Program Fund in Chapter 483, Statutes of 2006 (SB 1039). Its purpose is to support the Licensing and Certification Program's operation.

X. Appendix F**Fund Condition Statements****3098 State Department of Public Health Licensing and Certification Program Fund**

	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ 67,193,000	\$ 41,656,000	\$ 14,657,000
Prior year adjustments	\$ (1,848,000)	\$ -	\$ -
Adjusted Beginning Balance	\$ 65,345,000	\$ 41,656,000	\$ 14,657,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129400 - Other Regulatory Licenses and Permits (1257)	91,440,000	122,916,000	140,797,000
4143500 - Miscellaneous Services to the Public (1425, 211)	8,000	11,000	11,000
4163000 - Investment Income - Surplus Money Investments (1503 2503)	237,000	132,000	132,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$ 91,685,000	\$ 123,059,000	\$ 140,940,000
Total Resources	\$ 157,030,000	\$ 164,715,000	\$ 155,597,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
State Operations	\$ 361,000	\$ 400,000	\$ 400,000
4265 Department of Public Health			
State Operations	\$ 118,527,000	\$ 148,600,000	\$ 151,102,000
Local Assistance		43,000	43,000
8880 Financial Information System for CA (State Operations)	186,000	165,000	185,000
9900 Statewide General Administrative Expenditure (Pro Rata) (State Operations)		4,550,000	6,376,000
Expenditure Adjustment:			
Less Funding Provided by the General Fund	(3,700,000)	(3,700,000)	(3,700,000)
Total Expenditures and Expenditure Adjustments	\$ 115,374,000	\$ 150,058,000	\$ 154,406,000
FUND BALANCE	\$ 41,656,000	\$ 14,657,000	\$ 1,191,000

Appendix F (Continued)**Fund Condition Statements****3151 - Internal Health Information Integrity Quality Improvement Account**

	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ 3,000	\$ 2,000	\$ 2,000
Prior year adjustments	(1,000)	-	-
Adjusted Beginning Balance	\$ 2,000	\$ 2,000	\$ 2,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
416300 - Investment Income - Surplus Money Investments (1503, 2503)	-	-	-
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$ -	\$ -	\$ -
Total Resources	\$ 2,000	\$ 2,000	\$ 2,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0530 - Secretary for California Health and Human Services Agency			
State Operations			
4265 - Department of Public Health			
State Operations			
8880 Financial Information System for CA (State Operations)			
Total Expenditures and Expenditure Adjustments	\$ -	\$ -	\$ -
FUND BALANCE	\$ 2,000	\$ 2,000	\$ 2,000

Appendix F (Continued)**Fund Condition Statements****0942 222 Special Deposit Fund - Internal Departmental Quality Improvement Account**

	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ 15,945,000	\$ 16,076,000	\$ 16,960,000
Prior year adjustments	\$ 331,000	\$ -	\$ -
Adjusted Beginning Balance	\$ 16,276,000	\$ 16,076,000	\$ 16,960,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	1,962,000	3,114,000	3,114,000
4163000 Investment Income - Surplus Money Investment	75,000	74,000	74,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$ 2,037,000	\$ 3,188,000	\$ 3,188,000
Total Resources	\$ 18,313,000	\$ 19,264,000	\$ 20,148,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health			
State Operations	2,237,000	2,304,000	2,389,000
Total Expenditures and Expenditure Adjustments	\$ 2,237,000	\$ 2,304,000	\$ 2,389,000
FUND BALANCE	\$ 16,076,000	\$ 16,960,000	\$ 17,759,000

Appendix F (Continued)**Fund Condition Statements****0942 248 Special Deposit Fund - Skilled Nursing Facility Minimum Staffing Penalty Account**

	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ -	\$ -	\$ -
Prior year adjustments	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ -	\$ -	\$ -
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	630,000	630,000	362,000
Transfers and Other Adjustments:			
Revenue Transfer from Special Deposit Fund 0942 to Skilled Nursing Facility Quality and Accountability Special Fund (3167) per Welfare and Institutions Code 14126.022 (g)	(630,000)	(630,000)	(362,000)
Total Revenues, Transfers, and Other Adjustments	\$ -	\$ -	\$ -
Total Resources	\$ -	\$ -	\$ -
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health			
State Operations			
Total Expenditures and Expenditure Adjustments	\$ -	\$ -	\$ -
FUND BALANCE	\$ -	\$ -	\$ -

Appendix F (Continued)**Fund Condition Statements****0942 601 Special Deposit Fund - State Health Facilities Citation Penalties Account**

	2015-16*	2016-17	2017-18
BEGINNING BALANCE	\$ 9,869,000	\$ 9,320,000	\$ 7,125,000
Prior year adjustments	\$ (217,000)	\$ -	\$ -
Adjusted Beginning Balance	\$ 9,652,000	\$ 9,320,000	\$ 7,125,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172220 Fines and Penalties - External - Private Sector	2,090,000	2,102,000	2,102,000
4163000 Investment Income - Surplus Money Investment	45,000	43,000	43,000
Transfers and Other Adjustments:			
Transfer from Special Fund (0942) to General Fund (0001), per Health and Safety Code Section 1417.2 (b) and GC 16300	(25,000)		
Total Revenues, Transfers, and Other Adjustments	\$ 2,110,000	\$ 2,145,000	\$ 2,145,000
Total Resources	\$ 11,762,000	\$ 11,465,000	\$ 9,270,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4170 Department of Aging			
State Operations	97,000	102,000	102,000
Local Assistance	2,043,000	2,094,000	1,094,000
4265 Department of Public Health			
State Operations	302,000	2,144,000	2,144,000
Total Expenditures and Expenditure Adjustments	\$ 2,442,000	\$ 4,340,000	\$ 3,340,000
FUND BALANCE	\$ 9,320,000	\$ 7,125,000	\$ 5,930,000

Appendix F (Continued)**Fund Condition Statements****0942 605 Special Deposit Fund - Federal Health Facilities Citation Penalties Account**

	2015-16	2016-17	2017-18
BEGINNING BALANCE	\$ 6,456,000	\$ 9,028,000	\$ 11,041,000
Prior year adjustments	\$ 21,000	\$ -	\$ -
Adjusted Beginning Balance	\$ 6,477,000	\$ 9,028,000	\$ 11,041,000
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4172240 Fines and Penalties - External - Private Sector	3,047,000	2,947,000	2,947,000
4163000 Investment Income - Surplus Money Investment	34,000	39,000	39,000
Transfers and Other Adjustments:			
Total Revenues, Transfers, and Other Adjustments	\$ 3,081,000	\$ 2,986,000	\$ 2,986,000
Total Resources	\$ 9,558,000	\$ 12,014,000	\$ 14,027,000
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
4265 Department of Public Health			
State Operations	530,000	398,000	398,000
Local Assistance		575,000	575,000
Total Expenditures and Expenditure Adjustments	\$ 530,000	\$ 973,000	\$ 973,000
FUND BALANCE	\$ 9,028,000	\$ 11,041,000	\$ 13,054,000