



Memo

To: Karin McGowan

From: Donna Lynne

cc: Denver City Council

Date: May 1st, 2025

Re: 2Q Spending Plan_Update

Denver Health Spending plan for 2025 in accordance with the ordinance 24-1840: Special Revenue Fund Series for the "Denver Health and Hospital Authority Tax Fund" Program

- City and County of Denver has estimated the sales tax revenue for 2025 to be **\$64.5M**
- Denver Health has created a spending plan based on the five target areas identified in ordinance (CB 25-0226)
 - Primary Care
 - Pediatric Care
 - Emergency and Trauma Care
 - Mental Health Care
 - Drug and Alcohol Use Recovery
- In 2024, Denver Health's operation budget was \$1.4B and included nearly \$150M in uncompensated care.
- Through the annual operating agreement, the City and County of Denver has been supporting Denver Health's mission and its associated uncompensated care at a fairly consistent rate of \$30M.
- We estimate that in order to support the proposed growth in these five areas plus the associated uncompensated care, the cost would be \$80M.
- The proposed spending plans allocates \$65M toward the \$80M in cost for 2025.
- The 2025 spending plan will identify baseline expense increases and metrics to ensure the money is being spent appropriately in each section.
- **Coming Soon:** New Medical-Psychiatric Unit, New clinical site in SE Denver, and School Based Clinic services in NE Denver.