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2Q Spending Plan Bi-Annual Review

August 19, 2026

Denver Health 2Q Sales Tax: Protecting Essential Services for Our Community

Flat Funding, Rising Costs: MI Payment has remained around $30 million since 1997.
Denver voters approved the 2Q sales tax in 2024, projected to generate $65 million each year.

Preventing Cuts to Critical Services

- Denver Health provides ~$140 million in uncompensated care each year.
- Prior to 2Q, the system faced annual losses.
- Without a sustainable funding solution, services and access to care were at risk, and in some cases starting to be reduced.
- The 2Q sales tax provides essential funding to stabilize the budget and protect critical health care services relied upon by tens of thousands of Denver residents.

Stabilizing for Growth

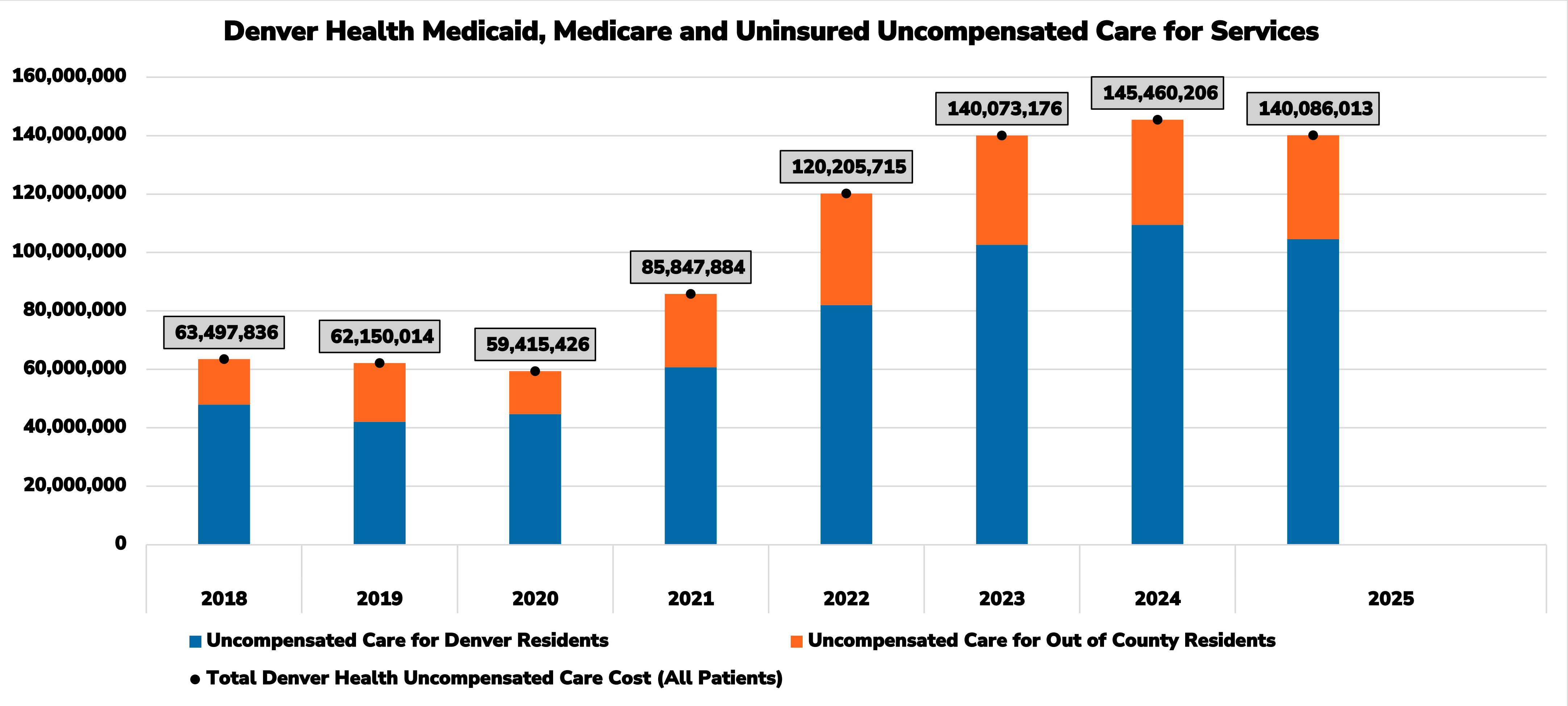
- Denver Health's goal is to stabilize the cost of providing care by using 2Q funding to help cover uncompensated care costs.
- Areas of focus include:
  - Expanding community health services
  - Recruiting and retaining health care staff
  - Meeting the growing health care needs of Denver
- As we continue to grow and expand services, our costs will also increase.

Ballot Language

… A THIRTY-FOUR ONE-HUNDREDTHS OF ONE PERCENT (0.34%) SALES AND USE TAX RATE (3.4 CENTS ON A TEN-DOLLAR PURCHASE), TO BE COLLECTED ON TANGIBLE PERSONAL PROPERTY, PRODUCTS, AND SERVICES CURRENTLY SUBJECT TO SALES AND USE TAX, IN ORDER TO MAINTAIN AND EXPAND DENVER HEALTH AND HOSPITAL AUTHORITY SERVICES, INCLUDING:

- EMERGENCY AND TRAUMA CARE;
- PRIMARY MEDICAL CARE;
- MENTAL HEALTH CARE;
- DRUG AND ALCOHOL USE RECOVERY; AND
- PEDIATRIC CARE.

Uncompensated Care



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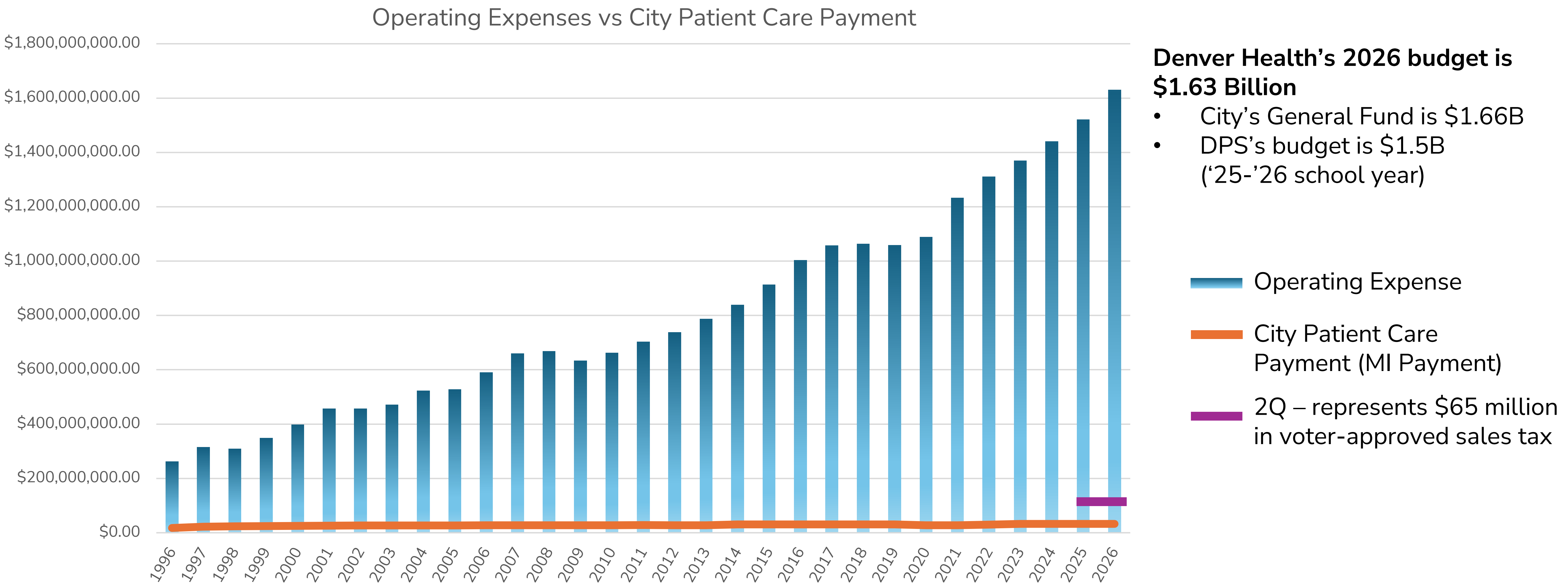
Operating Expenses are Growing



Denver Health's 2026 budget is $1.63 Billion

- City's General Fund is $1.66B
- DPS's budget is $1.5B ('25-'26 school year)

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Potential Challenges Beginning in 2026

- Changes in Medicaid enrollment due to H.R.1; leading to more uninsured patients
- State reductions to Medicaid and hospital funding
- Decline in Emergency Medicaid participation
- Decrease in enrollment on the Exchange
- Reduction to hospital reimbursements
- Increased reliance on emergency departments
- Higher patient acuity due to delayed care
- Continued growing expenses for Denver Health

2026 Spending Plan

2026 Goals:

✓ Expand access to care
✓ Increase service capacity in high-demand areas
✓ Improve care coordination
✓ Maintain financial sustainability

Denver Health remains committed to responsible stewardship of public funding.

Key financial priorities include:

- Reduce losses related to uncompensated care
- Maintain operational sustainability
- Continue to expand care capacity for Denver residents

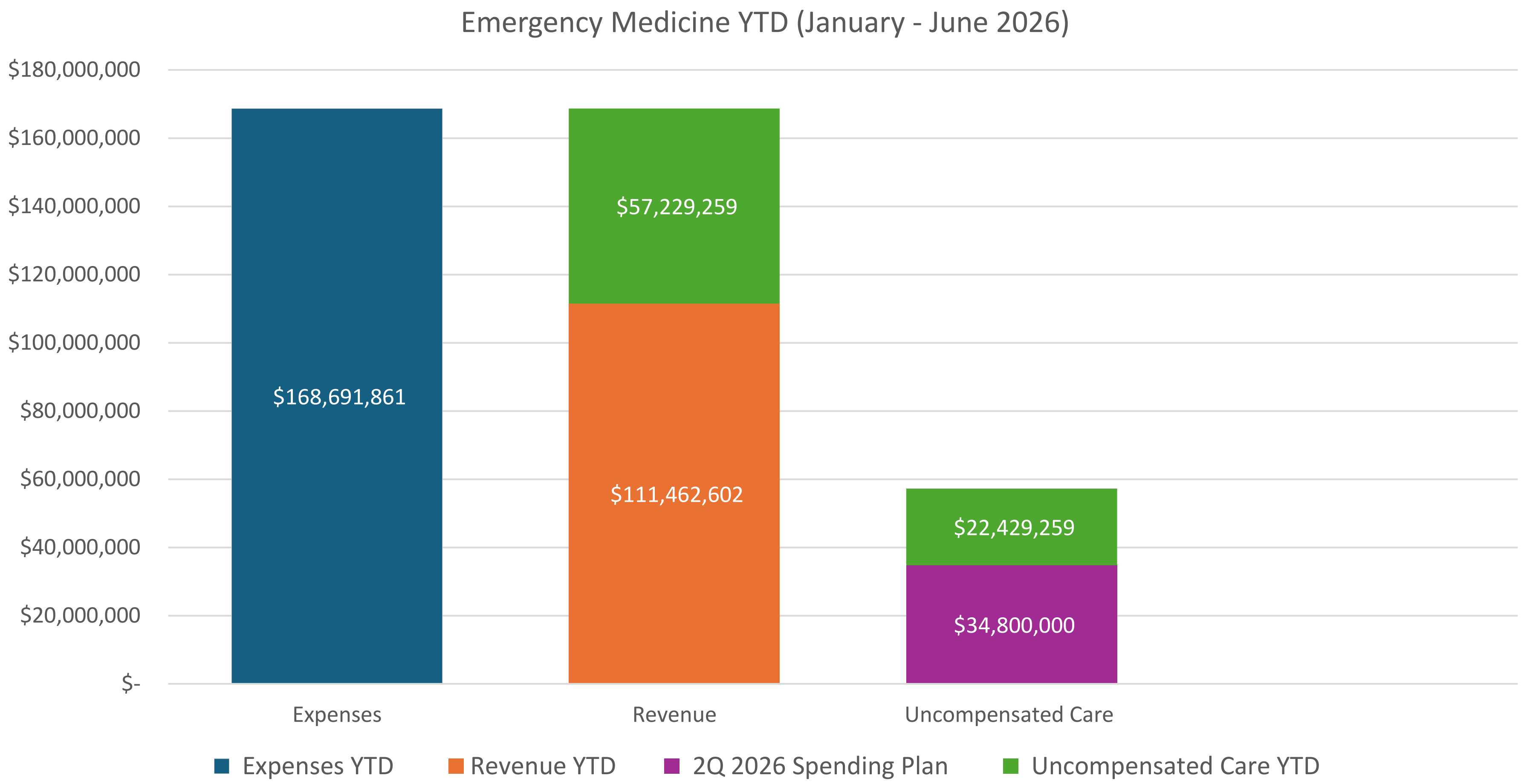
2026 Allocation by Care Category

Sales Tax Projection from City for Year 2026: **$67.7 Million**

Total Budget Numbers by Category:

- **Emergency Medicine:** $34.8 million
- **Primary Care:** $15.5 million
- **Pediatrics:** $2.1 million
- **Mental Health:** $13.4 million
- **Alcohol and Substance Use:** $1.9 million

2Q Category: Emergency Medicine



2026 Year-to-Date Progress

Emergency Medicine and Trauma

2026 2Q Budgeted Spend: $34.8 million

Budgeted Visits 2026: 119,857

YTD Visits 2026: 62,411

Key areas of focus:

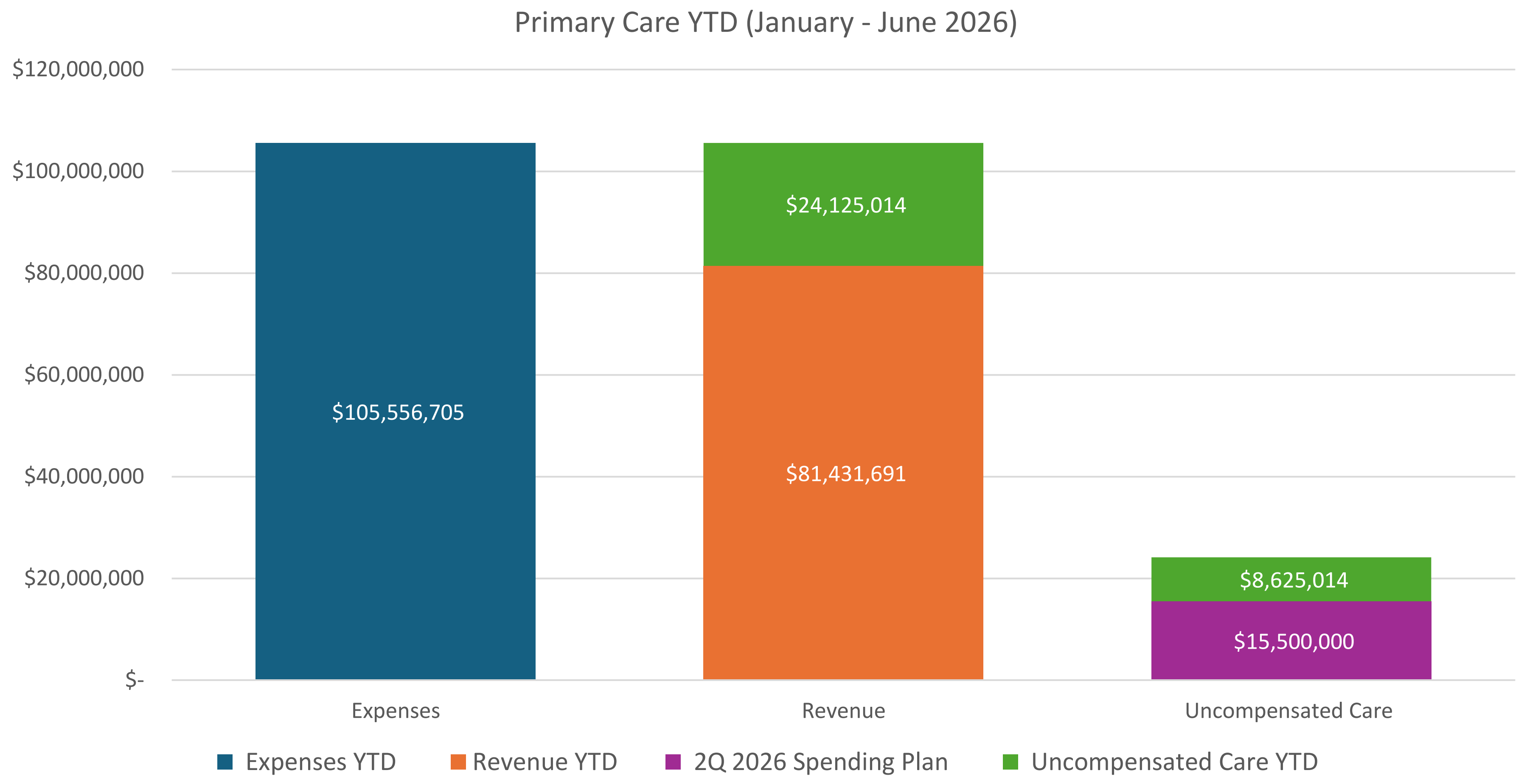
- Emergency department visits
- Trauma care capacity
- Expanded staffing and care teams

Other Investments (Outside Labor Budget)

- **Emergency Department Patient Engagement Specialists**: 3.0 FTEs with a total annual cost of $293,632, including $89,544 in SWB per employee and approximately $25,000 in overhead.

- **SANE (**Sexual Assault Nurse Examiner) **Program**: Total annual cost of $443,734, including 1 Manager, 2.1 FTEs, on-call coverage, and exam-related costs.

2Q Category: Primary Care



2026 Year-to-Date Progress

Primary Care

2026 2Q Budgeted Spend: $15.5 million

Budgeted Visits 2026: 771,041

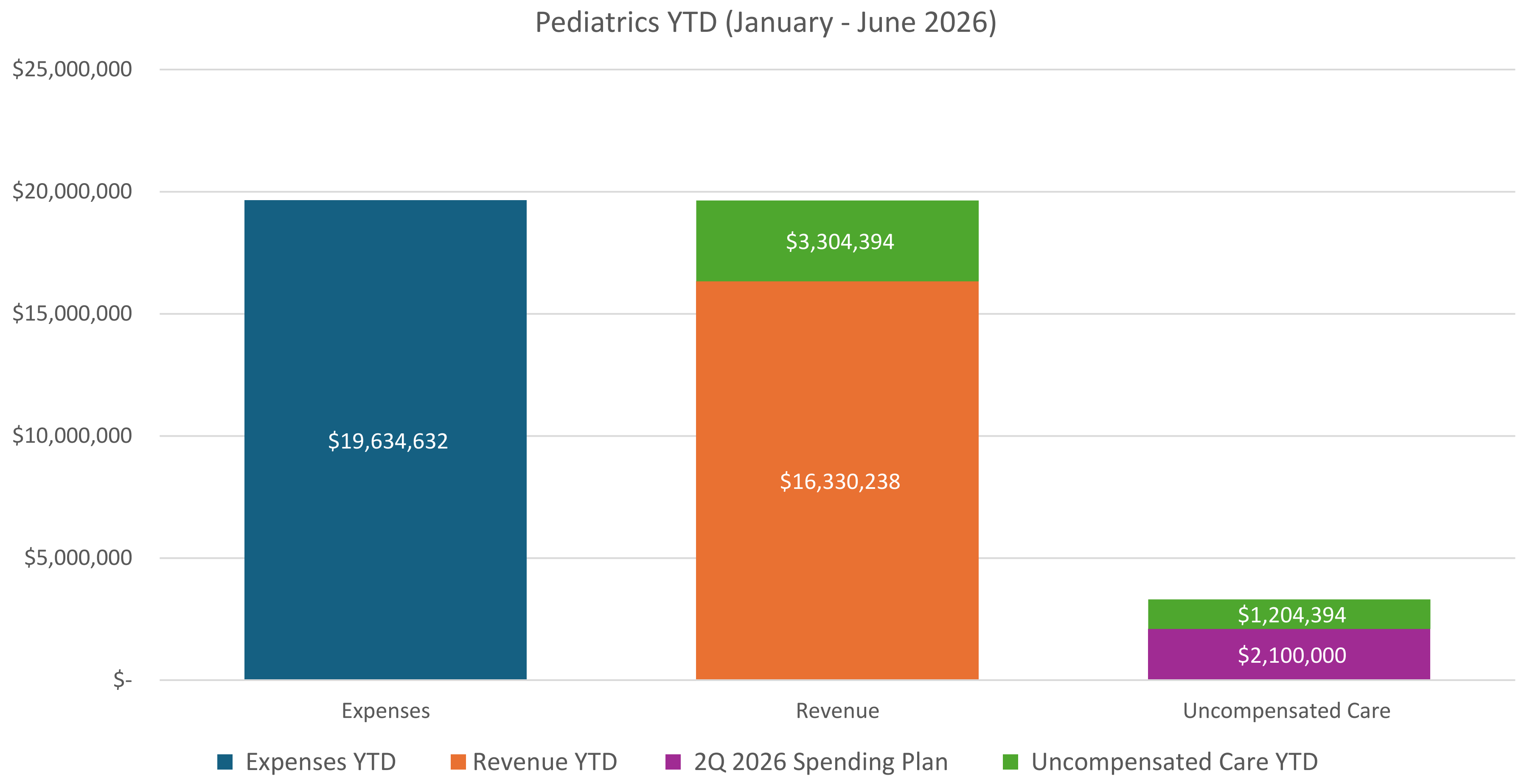
YTD Visits 2026: 374,284

Key areas of focus:

- Primary care visits
- Expanded access to community clinics
- Preventive and chronic disease

- **Southeast Medical Center**: $600k in operational expense forecasted for 2026. This does not include capital or equipment
- **WIC**: $450k to hire 7 additional WIC Educators. The additional staff resulted in wait time for services dropping by 60%.

2Q Category: Pediatrics



2026 Year-to-Date Progress

Pediatrics

2026 2Q Budgeted Spend: $2.1 million

Budgeted Visits 2026: 10,179

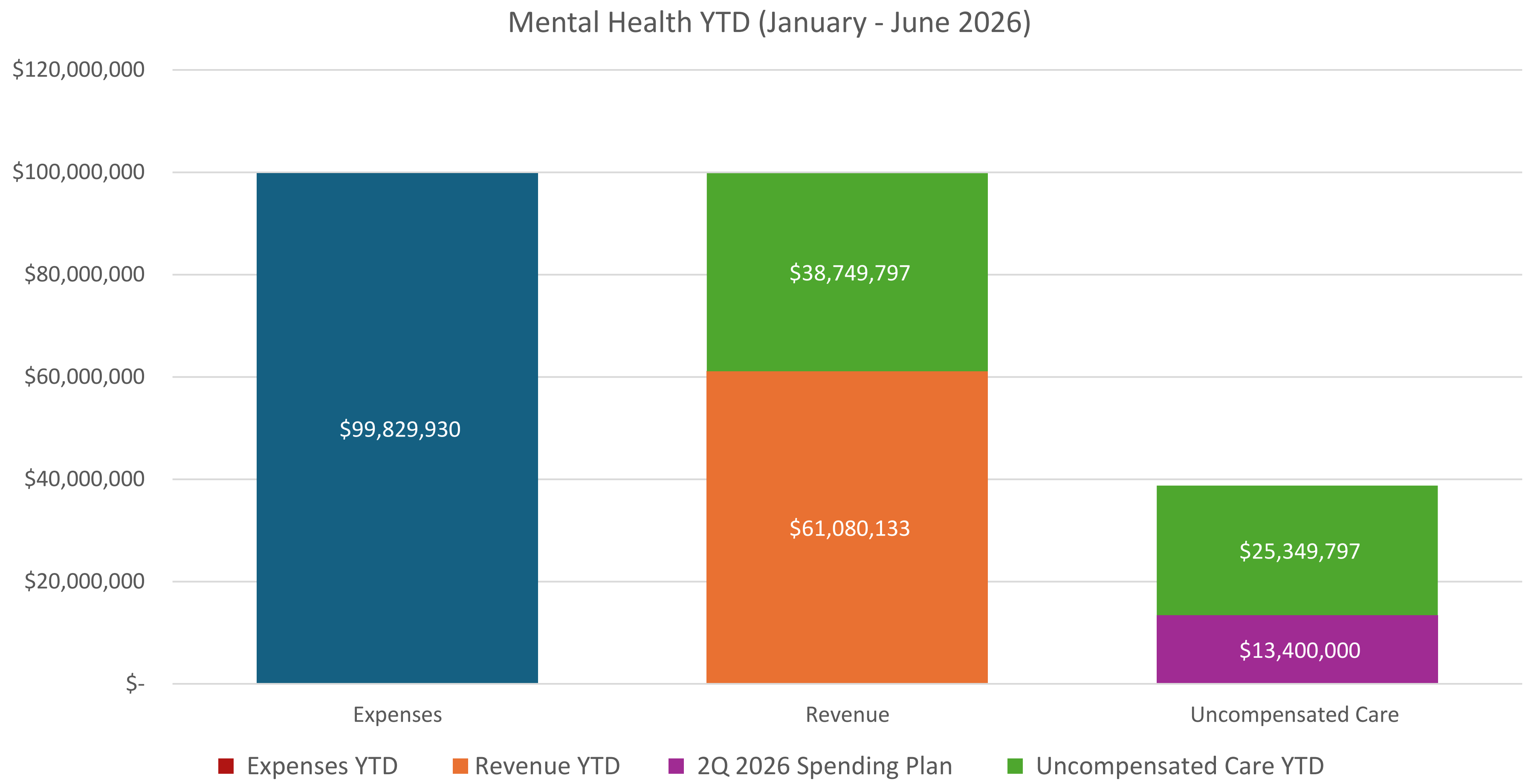
YTD Visits 2026: 5,207

Key areas of focus:

- Pediatric visits
- Pediatric inpatient services
- Preventive and developmental care

- **Pediatric Services Investment – $515K total impact:** Increase NICU physician staffing, expand Pediatric Orthopedic surgeon coverage and complete a Peds/PICU unit refresh to enhance pediatric care capacity, specialty access, and the patient care environment.

2Q Category: Mental Health



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2026 Year-to-Date Progress

Mental Health

2026 2Q Budgeted Spend: $13.4 million

Budgeted Visits 2026: 111,869

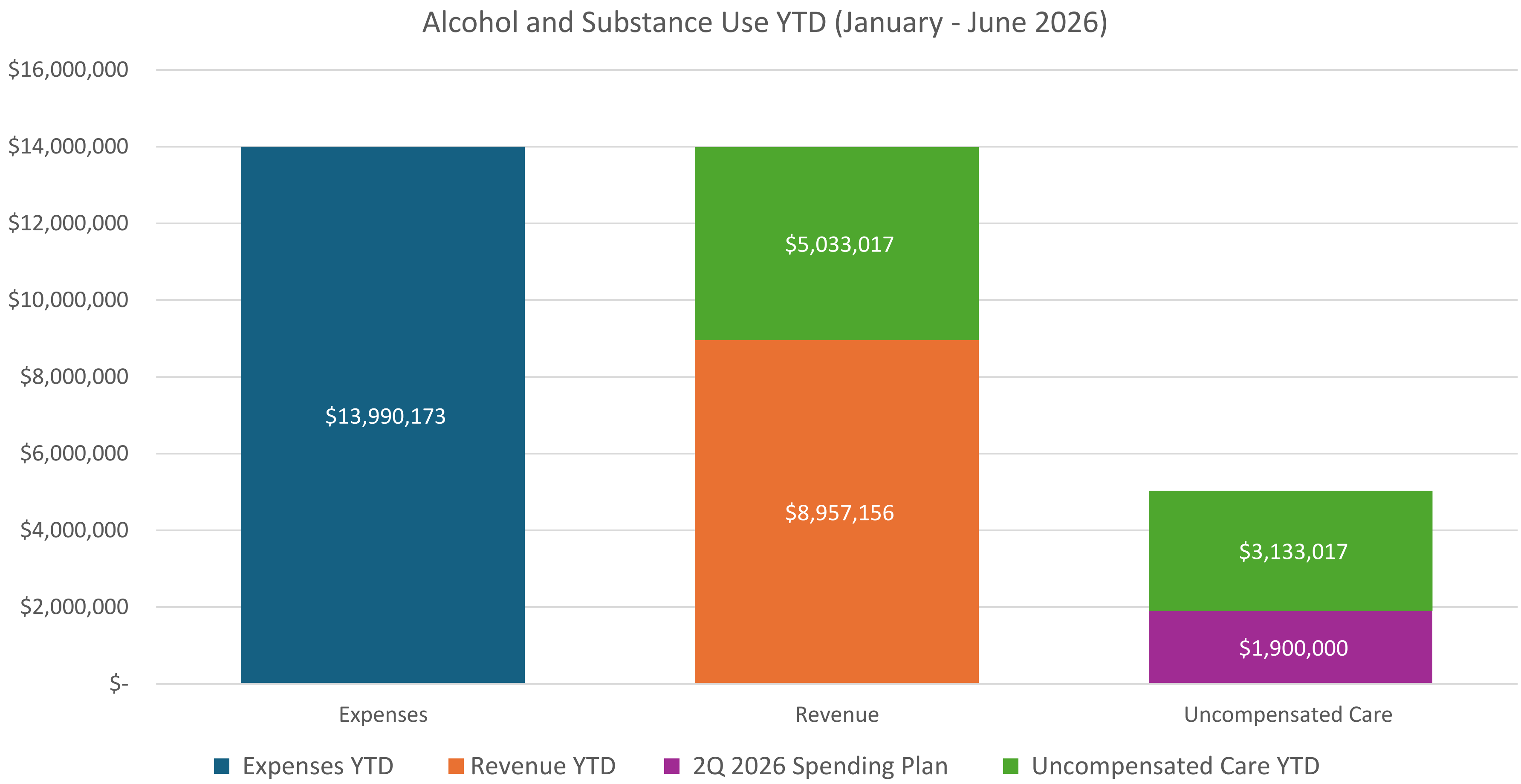
YTD Visits 2026: 56,031

Key areas of focus:

- Psychiatric emergency services
- Behavioral health encounters
- IMAP and inpatient psychiatric capacity

- **Comprehensive Safety Net Provider**: 19.51 FTEs with $2.05M in salary, wages, and benefits for 2026.
- **DART(De-Escalation of Agitation Response Team) Expansion**: 3 FTEs with $342K in salary, wages, and benefits for 2026.
- **IMAP (Integrated Medical and Psychiatric Care Unit)**: Approximately $3.6M invested in staffing and physicians during 2026.

2Q Category: Alcohol and Substance Use



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2026 Year-to-Date Progress

Alcohol and Substance Use

2026 2Q Budgeted Spend: $1.9 million

Budgeted Visits 2026: 65,290

YTD Visits 2026: 30,102

Key areas of focus:

- Detoxification services
- Addiction treatment encounters
- Community-based recovery services

- **Pavilion K outpatient care location for Denver Health's substance use disorder (SUD) and mental health services.** Approximately **$2.7 million in improvements for services and environment of care** to create a more welcoming, safe, and therapeutic environment for patients.

DHHA Tax Fund
City Admin Mid-Year Review 2026 Spending Plan

Elise Matatall, DHHA Sales Tax Administrator with DDPHE
August 19, 2026

Category	Proposed spend	Mid-year adjustment	Status
Personnel			
CA2309 Administrator III (salary & fringe) 1 FTE	$155,610	$155,610	On track
CV2310 Fiscal Administrator I (salary & fringe) 0.5 FTE	$75,145	$75,145	On track
Portion of Executive Director Time	$25,137	$25,137	On track
Portion of Division Director Time	$17,290	$17,290	On track
Personnel Subtotal	**$273,182**	**$273,182**	**On track**
Services & Supplies			
Office Supplies & materials	$2,000	0	Under
Equipment	$5,000	0	Under
Travel & Training	$8,000	$6,200	Under
Official Function Expenses	$5,000	0	Under
Contractor Services	$356,809	$155,723	Under
Services & Supplies Subtotal	**$376,809**	**$161,923**	**Under**
CITY ADMIN FEE (UP TO 1%) TOTAL	**$649,991**	**$435,105**	

Reminders & Notes:

Contractor services include a multi-year contract; $80,723 spent in FY 2026 YTD, estimate a total of $75,000 additional through end of 2026.

2026 original projection was $67,659,469, updated revenue projection is $68,473,998.

1% of updated projection would be $684,739.

Estimated unspent admin to be passed thru to DHHA during 2026 reconciliation:
$249,635

Thank You!

Questions?

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