

2004-2005 Program Change Request

DEPARTMENT NAME:

- San Francisco General Hospital
- Laguna Honda Hospital
- Primary Care
- Jail Health
- Health At Home
- Public Health
- Mental Health
- Substance Abuse
-

DPH SECTION: San Francisco General Hospital
 PROGRAM CONTACT NAME/PHONE: **Dick Acken, 206-3884**
 PROGRAM / INITIATIVE TITLE: Increased Healthy Workers Premiums
 AMOUNT: (\$1,910,687) Savings

TARGETED CLIENTS: Healthy Worker Program Enrollees

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The Healthy Workers program, managed by the San Francisco Health Plan (SFHP), pays a capitation to the CHN. The CHN provides health services to Healthy Workers enrollees. The CHN also funds a workorder to the Department of Human Services to fund the Healthy Workers premium. That premium is matched with federal funds such that capitation revenues received exceed premiums funded. In order to more fully recover the value of services provided, we are increasing the Healthy Workers premium \$49 per month, which increases the workorder and capitation revenue, for a net increase of \$1,910,687.

JUSTIFICATION: (required by the Mayor's Office)

The City can more fully recover its cost for the Healthy Workers program by increasing the premiums paid for covered workers.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

No impact. No cost to enrollees. All premiums are funded by City, State and Federal funds.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Capitation revenue to SFGH will increase by \$3,826,923 and work order expense will increase by \$1,916,236 producing a savings of \$1,910,687.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

No impact in staffing.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Increased Healthy Workers Premiums

	FY 2004-05	Ongoing
Sources:		
65950 Capitation Revenue - Healthy Workers	\$ 3,826,923	\$ 3,826,923
Subtotal Sources	3,826,923	3,826,923
Uses:		
Salaries and Fringes	\$ -	\$ -
Operating Expenses	\$ 1,916,236	\$ 1,916,236
Fac Maint & Equipment	\$ -	\$ -
Subtotal Uses	1,916,236	1,916,236
Net General Fund Subsidy Required (Uses less Sources)	\$ (1,910,687)	\$ (1,910,687)
Total FTE's	0.0	0.0

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's
	None	
		-
		-
	Fringe (25%)	-
		\$ -

Operating Expenses (List by Character)

081SS	DHS Work Order - Healthy Workers premium	\$ 1,916,236
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Facilities Maintenance, and Equipment (List by each items by count and amount)

None

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|--|--|
| <input checked="" type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| <input type="checkbox"/> Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: SFGH/CHN Pharmaceutical Services

PROGRAM CONTACT NAME/PHONE: **Sharon Kotabe/206-2325**

PROGRAM / INITIATIVE TITLE: Redesign of Pharmacy Benefits for Healthy Workers Program

AMOUNT: (\$808,437) reduction, 1st year; (\$251,232) reduction subsequent years

TARGETED CLIENTS: Patients enrolled in the Healthy Workers program.

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

Patients enrolled in the Healthy Workers program currently may use any retail pharmacy within San Francisco Health Plan's (SFHP) pharmacy network, and SFHP assumes the risk for prescription benefits. With this change request, DPH would assume the risk for prescription benefits for Healthy Worker patients, and Healthy Worker patients would be limited to using pharmacies within the CHN pharmacy network. Since CHN is able to access 340B drug pricing through its pharmacy network, reductions in pharmaceutical costs will be realized. This change request also increases the prescription copay structure for Healthy Workers to \$5 per prescription for preferred and \$10 per prescription for non-preferred drugs (currently \$3 and \$5, respectively). The new copay structure corresponds to the copay structure proposed for other CHN patients.

JUSTIFICATION: (required by the Mayor's Office)

With the exception of prescription benefits, Healthy Worker patients receive medical services through CHN. This change would bring provision of prescription benefits within the CHN.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

Projected total member months for FYE 05 is 79,068 (current estimated growth is 50 members per month.) Presently, there are approximately 6,000 eligible Healthy Worker members per month receiving approximately 3,250 prescriptions per month.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

The additional capitation revenue to the CHN from assuming the risk for prescription benefits for all Healthy Worker patients will be \$1,417,953, plus the one-time \$799,077 transfer of the existing Healthy Workers Pharmacy reserve from SFHP. Also, the increase in patient co-payment will increase revenue by an additional \$92,597 for a total revenue increase in FY 04/05 of \$2,309,627. This revenue increase will be offset by increased expenses of \$1,509,190 for a savings of \$808,437 in FY 04/05.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

Increase 0.42FTE pharmacy technician (0.50 FTE annualized)

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Redesign of Pharmacy Benefits for Healthy Workers Program

	FY 2004-05 (10 Months)	Ongoing
Sources:		
Capitation revenue from assuming Rx benefits	\$ 1,417,953	\$ 1,701,543
Copoly revenue increase	92,597	111,116
One-time transfer from SFHP Healthy Worker reserve	599,077	-
Subtotal Sources	2,109,627	1,812,659
Uses:		
Salaries and Fringes	\$ 33,291	\$ 39,949
Operating Expenses	1,267,899	1,521,479
Subtotal Uses	1,301,190	1,561,428
Net General Fund Subsidy Required (Uses less Sources)	\$ (808,437)	\$ (251,231)
Total FTE's	0.42	0.50

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's (10 Months)	
2409	Pharmacy Technician	0.42	\$ 26,633
			-
			26,633
	Fringe (25%)		6,658
			\$ 33,291

Operating Expenses (List by Character)

040	Increase in pharmaceutical cost to CHN	\$ 1,238,732
027	Service contract with TPA - claims admin fees	\$ 25,000
027	Service contract with TPA - prior auth review fees	\$ 4,167
		\$ 1,267,899

Facilities Maintenance, and Equipment (List by each items by count and amount)

None

2004-2005 Program Change Request

DEPARTMENT NAME:

- San Francisco General Hospital
- Laguna Honda Hospital
- Primary Care
- Jail Health
- Health At Home
- Public Health
- Mental Health
- Substance Abuse

DPH SECTION: San Francisco General Hospital
 PROGRAM CONTACT NAME/PHONE: Roland Pickens, 206-3528
 PROGRAM / INITIATIVE TITLE: Close Outpatient Dialysis
 AMOUNT: (\$338,943) Savings

TARGETED CLIENTS: SFGH renal dialysis outpatients

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

Prior to FY03/04, this program/service was licensed to and operated by UCSF, but operating losses caused them to close the program. Given the importance of the service to SFGH inpatients and the growing dialysis outpatient population, SFGH decided to continue the full service under the SFGH license and with general fund subsidy support. Now, with general fund reductions necessary, SFGH proposes to discontinue outpatient dialysis services, while retaining only inpatient dialysis services. Outpatients would be referred to other providers. All clients receiving dialysis have Medicaid.

JUSTIFICATION: (required by the Mayor's Office)

Outpatient dialysis has operated at a loss both under the UCSF license and now under the SFGH license, so it must be subsidized by the City's general fund, which must be significantly reduced. It would be both clinically and financially impractical to discontinue inpatient dialysis services.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

Clients requiring these outpatient services would be referred to other providers. The SFGH outpatient dialysis service currently has 82 clients served in the dialysis center and 30 home patients. The majority of these clients are covered either by Medicare or Medi-cal.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Salaries, benefits, and some non-labor expenses are funded through the UCSF contract. Pharmaceuticals and most medical supplies, equipment, lab, blood products are purchased by SFGH. If implemented, non-labor expenses will be reduced by \$2,661,299, which will be offset by a revenue loss of \$2,322,356. The resulting general fund savings in FY04/05 will be \$338,943 and \$406,732 ongoing.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

No decrease in CCSF FTE's, as all staffing is provided under the UCSF contract.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Close Outpatient Dialysis

	FY 2004-05	Ongoing
Sources:		
65201 Medicare Net Revenue Loss	\$ (1,424,294)	\$ (1,709,153)
65202 Medi-cal Net Revenue Loss	(898,062)	(1,077,674)
Subtotal Sources	\$ (2,322,356)	\$ (2,786,827)
Uses:		
Salaries and Fringes	\$ -	\$ -
Operating Expenses	\$ (2,661,299)	\$ (2,661,299)
Fac Maint & Equipment	\$ -	\$ -
Subtotal Uses	\$ (2,661,299)	\$ (2,661,299)
Net General Fund Subsidy Required (Uses less Sources)	\$ (338,943)	\$ 125,528
Total FTE's	0.0	0.0

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's
	None	-
	Fringe (25%)	-
		-
		\$ -

Operating Expenses (List by Character)

02786	UCSF Contract for Dialysis	\$ (1,889,651)
02786	UCSF Contract for Dialysis (I/P and Jail Only)	\$ 580,833
04499	Medical Supplies	\$ (665,562)
04441	Blood Products, Lab Supplies	\$ (93,068)
04461	Pharmaceuticals	\$ (579,579)
04451	Minor Medical Equipment	\$ (14,272)
		\$ (2,661,299)

Facilities Maintenance, and Equipment (List by each items by count and amount)

None

2004-2005 Program Change Request

DEPARTMENT NAME:

- Community Health Network - HCN
 San Francisco General Hospital
 Laguna Honda Hospital
 Primary Care
 Jail Health
 Health At Home

- Population Health & Prevention - HPH
 Central Administration
 Population Health & Prevention

DPH SECTION: LAGUNA HONDA HOSPITAL AND REHABILITATION CENTER (LHH)

PROGRAM CONTACT NAME/PHONE: ROBERT CHRISTMAS 759-4570

PROGRAM / INITIATIVE TITLE: LHH LAUNDRY CONTRACT

AMOUNT: -\$1,755,723

TARGETED CLIENTS: 1,065 LAGUNA HONDA RESIDENTS AND PATIENTS

PROGRAM DESCRIPTION: (Description of Program Change)

The linen laundering facilities on the Laguna Honda Hospital (LHH) campus needed to be relocated so that the LHH Replacement Project could proceed within the budget and time frame mandated in the enabling bond measure. A series of decisions were made to lease an existing facility off-campus and relocate LHH laundry staff during the last quarter of Fiscal Year 2003-2004. An outside vendor was contracted to launder linen during the interim period after the closure of the LHH campus laundry while a facility at Oyster Point in South San Francisco was prepared. By the end of the year, LHH would incur significant additional operating costs, related to creating an off-campus infrastructure, that are above those previously budgeted for laundry production on the LHH campus. This budget initiative proposes to save costs by extending the current interim contract with an outside laundry service supplier, canceling the establishment of the Oyster Point facility, and displacing the workers needed for linen laundering. Approximately one fourth of the current laundry staff would be retained in order to repair and distribute linen laundered by the outside contractor. More than 50 current CCSF positions would be eliminated. However, some new positions budgeted for the Oyster Point facility have not been hired, a substantial number of current positions are vacant, and workers displaced by the closure of the LHH campus laundry can be permanently placed in positions in other job classes where they have been working since the closure of the LHH campus laundry.

JUSTIFICATION: (required by the Mayor's Office)

Plans for the establishment of an LHH off-campus laundry facility operated by LHH employees required the City to expand the workforce, lease space and equipment, and would require additional funds to cover utilities and transportation. A permanent contracting arrangement with an outside vendor for these laundry services would allow the City to forego those costs while saving \$1,755,723 for the General Fund.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

This initiative will not have a direct and immediate impact on the volume of care provided at LHH.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

This initiative would save approximately \$1.8 Million in LHH operating funds during Fiscal Year 2004-2005. This amount assumes that LHH is still obligated to make the first laundry equipment lease payment of \$500,000 that is due on 7/1/04. The overall savings would be greater if the LHH were successful in canceling the lease. The annual savings would be approximately \$2 Million for subsequent years.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

The proposed contract would supplant 52.4 full time equivalent positions (FTE). The number of workers that can ultimately be retained is subject to worker decisions and job qualifications. Preliminarily, there are 48 individuals being paid by the LHH laundry and 19 will be retained for distribution and repair. Vacant positions in other job classes at LHH and SFGH are available to accommodate displaced laundry workers.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: LAGUNA HONDA HOSPITAL LAUNDRY CONTRACT

	FY 2004-05	Ongoing
Sources:		
SAVINGS TO CURRENT OPERATING BUDGET		
Deletions of Current Positions if Laundry Is Outsourced		
Porter	\$ 69,906	\$ 69,906
Laundry Worker	1,622,575	1,622,575
Senior Laundry Worker	169,754	169,754
Laundry Worker Supervisor	53,322	53,322
Asst. General Services Manager	57,101	57,101
Stationary Engineer	122,722	122,722
Truck Driver	188,077	188,077
Fringe	411,022	411,022
Other Operating Expenses Saved if Laundry Is Outsourced		
Equipment and Property Leases	269,358	769,358
Management and Maintenance Consultants	231,248	431,244
Utilities and Transportation	826,614	374,242
Materials and Supplies	228,024	65,913
Subtotal Sources	\$ 4,249,723	\$ 4,335,236
Uses:		
Laundry Contract (8,600,000 annual pounds of linen at \$0.29/pound)	\$ 2,494,000	\$ 2,494,000
Net General Fund Subsidy Required (Uses less Sources)	\$ (1,755,723)	\$ (1,841,236)
Total FTE's	-52.40	-52.40

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's	FTE's
2736	Porter	-1.60	-1.60
2760	Laundry Worker	-39.80	-39.80
2770	Senior Laundry Worker	-4.00	-4.00
2780	Laundry Worker Supervisor	-1.00	-1.00
2785	Asst. General Services Manager	-1.00	-1.00
7334	Stationary Engineer	-2.00	-2.00
7355	Truck Driver	-3.00	-3.00

Operating Expenses (List by Character)

\$ - \$ -

Facilities Maintenance, and Equipment (List each item by count and amount)

\$ - \$ -

TOTAL PROGRAM COST \$ (1,755,723) \$ (1,841,236)

**DEPARTMENT OF PUBLIC HEALTH
2004-2005 Program Reduction**

- | | |
|---|---|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Administration |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Primary Care | <input checked="" type="checkbox"/> CBHS- Mental Health |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> CBHS- Substance Abuse |
| <input type="checkbox"/> Health At Home | |

DPH PROGRAM: Community Behavioral Health Services (CBHS) – Mental Health

PROVIDER NAME, CONTACT & ADDRESS:

PROGRAM / INITIATIVE TITLE: Integration of Four Adult Mental Health Clinics with Primary Care Clinics

AMOUNT: \$5,343,121	Total Budget- 10 Months
<u><\$4,487,787></u>	Reallocation of Services
<u><\$83,333></u>	Revenue Reduction
\$772,000	General Fund Savings
<u>\$3,000,000</u>	Estimated value of building sale
\$3,772,000	Revised General Fund Savings – 10 Months

TARGETED CLIENTS: Adult Mentally Ill Clients

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The purpose of the proposed initiative is to streamline and enhance client care by integrating mental health and primary care services, while at the same time achieving staffing and operating efficiencies that will result in General Fund savings. Specifically, four adult mental health clinics will be integrated with four primary care clinics. These clinics are as follows: Sunset Mental Health Clinic will be co-located with Ocean Park Primary Care Clinic; Mission Team II Mental Health Clinic with Castro Mission Primary Care; Mission Mental Health with Tom Waddel Primary Care; and Older Adult Mental Health Clinic with Curry Senior Center Primary Care Clinic. Additionally, some clients will be re-located to community-based alternatives. This will enable the Department to maximize the capacity in the community-based service system, a key component of the City’s mental health delivery system, without decreasing the level of care needed by the clients. It will also enable the Department to generate \$3.0m through the sale of the Sunset Mental Health Clinic facility and enable the Department to save \$772k on an ongoing basis due to no longer paying rent and associated costs for Mission Team II, Mission Mental Health and Older Adult Mental Health Clinics.

Mental Health staff and clients will be relocated to the primary care clinic sites as noted above, and not vice-versa due to the facility requirements for primary care services, such as sinks in the exam rooms. The particular pairings were selected based on the proximity of the clinics to each other, the overlap of clients between the clinics, the population focus, and the capacity to absorb additional staff and clients at the primary care sites. Planning is currently underway for any necessary clinic renovations, such as the installation of elevators which will enable the clinics to expand capacity. These renovations will take place regardless of the outcome of the subject proposal because the renovations will improve disability access and maximize the available space.

JUSTIFICATION: (required by the Mayor's Office)

In FY02-03, the Department conducted an analysis to determine the overlap of clients seen in both the primary care and the mental health systems. It was determined that 10,000 clients were seen simultaneously in both the mental health and primary care systems of care. The proposed initiative will result in a more convenient and efficient service delivery for clients with both physical and behavioral health needs. The integration is expected to provide clients with a more comprehensive set of treatment options to address their multiple needs in one location, and by making the delivery of services more convenient to the clients, it is expected that clients will be more likely to remain in treatment for the duration of the treatment period needed to address their symptoms.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The proposal will accommodate all active clients seen in the four mental health clinics. In all, the Department expects to transfer 2,482 clients to new sites. Although the Department acknowledges that the transition period will be challenging to all involved, the goal is to ensure that clients are transitioned with minimal inconvenience and loss of service. The clients will be transitioned as follows:

Client Relocation	Sunset	Mission Team II	Mission ISC	Older Adult
Clients to Primary Care	500	217	200	265
Clients to Community Based Alternative	600	N/A	700	N/A
Total	1,100	217	900	265

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Expenditures are expected to decrease by \$855,333, and Revenues are expected to decrease by \$83,333, for total General Fund savings of \$772k. Additionally, the Department expects to gain \$3.0m through the sale of a City-owned facility that will be vacant after the co-location of the clinics is complete.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

The net reduction in FTE will be 18.58 FTE effective September 1, 2004, and 22.30 FTE on an ongoing basis.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

**INITIATIVE TITLE: Integration of Four Adult Mental Health Clinics
and Primary Care Clinics**

Sources:	FY 2004-05 (10 Months)	Ongoing
45416 Short Doyle Medi-Cal Revenue	(83,333)	(100,000)
Subtotal Sources	(83,333)	(100,000)
Uses:		
Operating	\$ (46,075)	\$ (55,290)
Rent	\$ (522,771)	\$ (627,325)
Sale Of Land	\$ (3,000,000)	\$ -
001 Salaries	(1,564,749)	\$ (1,877,699)
013 Man. Fringe Benefits	(281,655)	\$ (337,986)
027 Reallocation to Professional Services	\$ 1,559,917	\$ 1,871,900
Subtotal Uses	(3,855,333)	(1,026,400)
Net General Fund Subsidy Required (Uses less Sources)	\$ (3,772,000)	\$ (926,400)
Total FTE's		

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's	
1444	SECRETARY I	(1.67)	(75,690)
2230	PHYSICIAN SPECIALIST	(2.88)	(379,840)
2232	SENIOR PHYSICIAN SPECIALIST	(0.94)	(137,167)
2305	PSYCH. TECHNICIAN	(0.83)	(48,872)
2306	SENIOR PSYCH ORDERLY	(0.83)	(50,830)
2320	REGISTERED NURSE	-	-
2328	NURSE PRACTITIONER	(0.83)	(86,108)
2566	REHAB COUNSELOR	(0.83)	(49,612)
2574	CLINICAL PSYCHOLOGIST	(2.48)	(206,954)
2930 *	PSYCH SOCIAL WORKER	(3.95)	(284,336)
2931	MFCC	(1.67)	(119,973)
2932	SENIOR PSYCH. SOCIAL WORKER	(1.67)	(125,367)
Total Salaries		-	(1,564,749)
Fringe (18%)			(281,655)
Total Personnel		(18.58)	(1,846,404)

Operating Expenses (List by Character)

03000	Rent/Janitorial	(522,771)
049	Office Supplies and Furnishings	(22,566)
031	Photocopy costs	(2,137)
035	Postage/Mailing	(2,220)
081ET	Telephone/Data	(5,180)
081TE	Pagers/Cell Phones	(360)
081UL/081UW	Utilities	(11,520)
081PA/081PF	Vehicle Maintenance & Fuel	(2,091)

Re-allocation to 027 Professional Services 1,559,917

* .83 FTE 2930 is in index code HMMHCP751594

All other expenses are in the community care HMMHCC730515 index code

Initiative Number MH2
(Leave blank)

**DEPARTMENT OF PUBLIC HEALTH
2004-2005 Program Reduction**

- | | |
|---|---|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Administration |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Primary Care | <input checked="" type="checkbox"/> CBHS- Mental Health |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> CBHS- Substance Abuse |
| <input type="checkbox"/> Health At Home | |

DPH PROGRAM: Community Behavioral Health Services (CBHS) – Mental Health
PROVIDER NAME, CONTACT & ADDRESS: Bob Cabaj, M.D., Director of CBHS, 255-3401
PROGRAM / INITIATIVE TITLE: Step-Down Transition for Clients in the Mission Assertive Community Treatment (ACT) Program

AMOUNT: \$1,577,057	Total Budget- 10 Months
<\$1,025,000>	Reallocation of Services
<\$91,667>	Revenue Reduction
\$460,390	General Fund Savings-10 Months

TARGETED CLIENTS: Adult Mentally Ill Clients in Mission ACT

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The proposed initiative will close the civil service Mission Assertive Community Treatment (ACT) facility, and reassign the 100 clients to (a) an intensive case management program- 50 clients, or (b) one of two existing non-profit ACT programs, depending on their level of need. The goal of the initiative will be to transition all clients who are ready to step-down to a lower level of care to this level of care, and continue the same level of services for those clients who aren't yet ready to transition. The Department will conduct an RFP for the provision of intensive step-down services for clients following their ACT treatment episode.

An ACT treatment model is used to meet the needs of clients who have severe psychiatric disorders and are high users of the mental health system by providing intensive comprehensive services, such as case management, with an overall goal of stabilizing the clients and reducing costs. Treatment providers are paid a per client per month capitated rate, as opposed to the traditional fee-for-service system utilized for most treatment programs.

The Department has operated three SPR programs since FY97-98, serving a total of 400 clients at any given time. These programs were selected based on an RFP process. There are two community-based programs and one civil service operated program. A study conducted of the ACT programs in FY02-03 shows that of the 100 patients at the Mission ACT program, 79 percent of the clients have been in the program for over five years (as compared to 65 percent and 58 percent of the clients in the other two programs), and 34 percent of the clients have had no inpatient/PES visit for over five years (as compared to 25 percent and 24 percent for the other two programs), and for an additional 18 percent of the Mission ACT clients, their last PES or inpatient visit was from three to five years ago. Based on this data, the Department has concluded there is a high level of stability among the clients in the Mission ACT program, and therefore many of these clients are ready to transition to a lower level of care.

JUSTIFICATION: (required by the Mayor's Office)

The ACT programs are one of the most expensive and intensive service programs offered. As a result of the service intensity, these programs are very successful in lowering hospital usage and increasing housing stability. As the three programs are six years old, however, the point has been reached where many of the clients are ready to be transitioned to a lower level of service. A research paper summarizing 75 studies, mostly related to ACT programs and intensive case management programs, indicates that those patients who use services in relatively low levels and/or who have made significant gains in functioning can be transferred to less intensive levels of services without bad effects. Further, a study of clients who had been in intensive case management for two years following five years in an ACT model were not found to have significant changes in hospitalization rates. As the Department believes that many of the Mission ACT clients have reached the transition point and no longer need the most intensive level of care, the Department is proposing the implementation of a step-down level of care that is expected to be as effective for these more stabilized clients at a lower cost. Clients from the other two ACT programs will also be able to benefit from this resource as slots open up. For those clients who are not stable enough, or for clients who are later determined not to be stable enough for the lower level of care, the Department will also increase the number of slots available in the other two ACT programs, so all clients will be provided with the appropriate level of intensive services.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The Mission ACT program serves 100 clients. Of these clients, 42% are Hispanic, 39% are White, 9% are African American, 1% is Chinese, and 3% is unknown. Due to the high percentage of Hispanic clients, the Department will ensure that the providers receiving these clients possess the appropriate language and cultural competence levels to adequately address the clients' needs.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Net Expenditures (after the reallocation of \$1,025m to 027 Professional Services) are expected to decrease by \$460,390, and Revenues are expected to decrease by \$91,667. The expenditure reduction includes a rent savings of \$358,842 for 10 months. The Mission ACT program, located at 2712 Mission Street shares space with the Mission OP program, which is also proposed to close in FY04-05.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

The net reduction in FTE will be 11.91 FTE effective September 1, 2004 and 14.91 FTE ongoing.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Mission ACT Step-Down Transition

Sources:		FY 2004-05 (10 Months)	Ongoing
	45416 Short Doyle Medi-Cal Revenue	(91,667)	(110,000)
Subtotal Sources		(91,667)	(110,000)
Uses:			
	Operating	\$ (201,522)	\$ (241,826)
	Rent	\$ (358,842)	\$ (430,610)
001	Salaries	(861,605)	\$ (1,033,926)
013	Man. Fringe Benefits	(155,089)	\$ (186,107)
027	Reallocation to Professional Services	\$ 1,025,000	\$ 1,230,000
Subtotal Uses		(552,057)	(662,469)
Net General Fund Subsidy Required (Uses less Sources)		\$ (460,390)	\$ (552,469)
Total FTE's			

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's	
1426	SENIOR CLERK TYPIST	0.83	(39,737)
1444	SECRETARY I	0.83	(37,845)
1822	ADMIN. ANALYST	0.83	(56,311)
2232	SENIOR PHYSICIAN SPECIALIST	0.83	(121,387)
2305	PSYC. TECHNICIAN	0.83	(48,872)
2320	REGISTERED NURSE	0.83	(66,816)
2550	SENIOR OCCUP. THERAPIST	0.67	(61,544)
2552	DIR OF ACTIVITIES	0.83	(56,855)
2566	REHAB COUNSELOR	0.83	(49,612)
2588	HW IV	0.83	(50,591)
2930	PSYCH SOCIAL WORKER	0.83	(59,987)
2930	PSYCH SOCIAL WORKER	0.41	(29,393)
2930	PSYCH SOCIAL WORKER	0.83	(59,987)
2931	MFCC	0.83	(59,987)
2932	SENIOR PSW	0.83	(62,684)
Total Salaries			(861,605)
Fringe (18%)			(155,089)
Total Personnel		11.91	(1,016,694)

Operating Expenses (List by Character)

03000	Rent/Janitorial	(358,842)
049	Office Supplies and Furnishings	(12,325)
031	Photocopy costs	(2,500)
035	Postage/Mailing/Water	(844)
081TE	Pagers/Cell Phones	(708)
081UL/081UW	Utilities	(5,600)
081PA/081PF	Vehicle Maintenance & Fuel	(5,412)
027	Westside	(174,133)

Re-allocation to 027 Professional Services 1,025,000

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| <input checked="" type="checkbox"/> Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: Primary Care Health Centers
PROGRAM CONTACT NAME/PHONE: **Barbara Garcia, 255-3525**
PROGRAM / INITIATIVE TITLE: Increased Savings From Primary Care Administrative Reduction
AMOUNT: (\$444,807) Savings in FY04/05, (\$533,768) Savings On-going

TARGETED CLIENTS: Primary Care patients at the nine major health centers.

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The purpose of this initiative is to further consolidate and streamline the Primary Care health center administrative staffing for optimum cost and to enhance the efficiency of the administrative operation.

JUSTIFICATION: (required by the Mayor's Office)

The administrative costs of managing the Primary Care health centers can be reduced without adversely affecting operations.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

No impact on number of clients served.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Labor expense will decrease by \$444,807 in FY04/05; on-going savings of \$533,768 thereafter. Patient revenue will not be impacted.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

Primary Care positions will decrease by 1.67 FTE in FY04/05.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Increased Savings From Primary Care Administrative Reduction

	FY 2004-05 (10 Months)	Ongoing
Sources:		
Medicare O/P Revenue		
Medi-Cal O/P Revenue		
Other O/P Revenue		
Subtotal Sources	-	-
Uses:		
Salaries and Fringes	\$ (444,807)	\$ (533,769)
Operating Expenses	-	-
Fac Maint & Equipment	-	-
Subtotal Uses	(444,807)	(533,769)
Net General Fund Subsidy Required (Uses less Sources)	\$ (444,807)	\$ (533,769)
Total FTE's	(1.67)	(2.00)

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's (10 Months)	
0931	Manager VII	(4.58)	(458,333)
2322	Nurse Manager	(0.42)	(44,336)
1408	Principal Clerk	7.50	429,473
1410	Chief Clerk	(3.33)	(218,717)
2324	Nursing Supervisor (utilized 2143)	(0.83)	(97,723)
	Salary Savings		12,680
	Fringe (18%)		(376,956)
		(1.67)	\$ (444,807)

Operating Expenses (List by Character)

None \$ -

Facilities Maintenance, and Equipment (List by each items by count and amount)

None

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|---|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input checked="" type="checkbox"/> Laguna Honda Hospital | <input checked="" type="checkbox"/> CBHS- Mental Health |
| <input checked="" type="checkbox"/> Primary Care | <input type="checkbox"/> CBHS- Substance Abuse |
| <input type="checkbox"/> Jail Health | <input checked="" type="checkbox"/> Maternal and Child Health |
| <input checked="" type="checkbox"/> Health At Home | |

DPH SECTION: Primary Care and Other DPH Divisions

PROGRAM CONTACT NAME/PHONE: **Dick Acken, 206-3884**

PROGRAM / INITIATIVE TITLE: Reduce Layers of Social Work Management/Supervision

AMOUNT: (\$440,201) Savings

TARGETED CLIENTS: N/A

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

Reduce the layers of management and supervision within the DPH social work staff by eliminating senior social worker and social work supervisor positions. Positions in the 2922 Senior Social Worker or 2924 Medical Social Worker Supervisor positions that are grant funded will be substituted to different classifications following the Department's direction of increasing direct service care and reducing management layers.

JUSTIFICATION: (required by the Mayor's Office)

A flatter organization reduces the cost of providing services to DPH clients.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

Supervisors spend minimal time on direct services and therefore some impact on clients served and units of service provided will occur.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

General Fund labor expenses will decrease by \$511,379, including a revenue loss of \$71,178. The resulting General Fund savings will be \$440,201 in FY 04/05 and \$528,241 thereafter.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

There will be a reduction of 6.50 FTE effective September 1, 2004 and 7.8 FTE's thereafter.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Reduce Layers of Social Work Management/Supervision

	FY 2004-05 (10 Months)	Ongoing
Sources:		
Loss of Medi-Cal Revenue	\$ (71,178)	\$ (85,414)
Subtotal Sources	(71,178)	(85,414)
Uses:		
Salaries and Fringes	\$ (511,379)	\$ (613,655)
Operating Expenses	-	-
Fac Maint & Equipment	-	-
Subtotal Uses	(511,379)	(613,655)
Net General Fund Subsidy Required (Uses less Sources)	\$ (440,201)	\$ (528,241)
Total FTE's	(6.50)	(7.80)

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's (10 Months)	
2922	Sr Medical Social Worker	(5.67)	\$ (426,247)
2924	Medical Social Worker Supervisor	(0.83)	\$ (66,642)
9993M	Salary Savings		59,517
		(6.50)	\$ (433,372)
	Fringe (18%)		(78,007)
			\$ (511,379)

Operating Expenses (List by Character)

None

\$ -

Facilities Maintenance, and Equipment (List by each items by count and amount)

None

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| X Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: Primary Care

PROGRAM CONTACT NAME/PHONE: **Dick Acken, 206-3884**

PROGRAM / INITIATIVE TITLE: Tom Waddell / Eliminate Disability Evaluation Unit (DEAP)

AMOUNT: (\$529,280) Savings

TARGETED CLIENTS: SSI eligible clients with disabilities

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The primary focus of the Disability Evaluation Assistance Program (DEAP) is to assist clients who may qualify for receiving Federal Supplemental Security Assistance (SSA) benefits through disability claims and appeals. This program provides consultative examinations for physical and mental review of the clients in order to develop supporting evidence for the disability claims and appeals.

JUSTIFICATION: (required by the Mayor's Office)

This initiative will eliminate the unit. The services will be provided by the SSI Pilot Project under Community Behavioral Health Services as a comprehensive advocacy program for the disabled clients.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The SSI Pilot Project will continue to serve the current 739 clients and to provide 2,752 visits in FY 04/05.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Labor expense would decrease by \$529,280; on-going savings is \$635,136 thereafter. No impact on revenue.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

A decrease of 6.54 FTE's in FY 04/05 would result from implementing this initiative.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Eliminate the Disability Evaluation Unit (DEAP)

Sources:	FY 2004-05 (10 Months)	Ongoing
	\$ -	\$ -
Subtotal Sources	-	-
Uses:		
Salaries and Fringes	\$ (529,280)	(635,136)
Operating Expenses	-	-
Fac Maint & Equipment	-	-
Subtotal Uses	(529,280)	(635,136)
Net General Fund Subsidy Required (Uses less Sources)	\$ (529,280)	\$ (635,136)
Total FTE's	(6.54)	(7.85)

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's	(10 Months)
2230	Physician Specialist	(0.33)	(41,943)
2328	Nurse Practitioner	(0.29)	(30,741)
2574	Clinical Psychologist	(1.17)	(97,504)
2320	Registered Nurse (Utilized as 2922)	(0.75)	(62,503)
2110	Medical Records Clerk	(0.75)	(36,997)
2903	Eligibility Worker	(0.75)	(38,954)
2587	Health Worker III	(2.50)	(129,848)
9993M	Salary Savings		6,367
			(432,123)
	Fringe (22%)		(97,157)
			\$ (529,280)

Operating Expenses (List by Character)

Facilities Maintenance, and Equipment (List by each items by count and amount)

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> CBHS- Mental Health |
| <input checked="" type="checkbox"/> Primary Care | <input type="checkbox"/> CBHS- Substance Abuse |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: Primary Care Health Centers

PROGRAM CONTACT NAME/PHONE: Barbara Garcia, Deputy Director of Health, 255-3525

PROGRAM / INITIATIVE TITLE: PRIMARY CARE RESTRUCTURE

AMOUNT: (\$2,471,276) 10-Month Savings in FY04/05, (\$2,965,532) Savings Ongoing

TARGETED CLIENTS: Patients at the eight Community Oriented Primary Care Health Centers, including Castro-Mission, Maxine Hall, Southeast, Chinatown, Ocean Park, Potrero Hill, Silver Avenue, and Tom Waddell Health. The only health center not included is the Curry Senior Center (because it is a combined civil service and community-based organization).

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

The purpose of this initiative is to bring staffing levels and client capacity into balance at each of eight primary care health centers to both maximize efficiency and achieve savings, as well as ensure equity in resources across the clinics. To achieve this goal, the Department determined the maximum number of medical providers (physicians, residents and nurse practitioners) required for each clinic based on the number of exam rooms. A per-provider national industry benchmark (with a public health factor added) was used to determine and standardize the level of support per provider required to achieve maximum efficiency. The support staff include nursing, clinical support and clerical support staff.

The proposed initiative did not change the level of staffing for dental, podiatry, or behavioral health services. The proposed initiative does result in the elimination of evening hours for General Fund funded programs, which will impact one clinic, Castro-Mission. Additionally, the proposed initiative will reduce the level of services provided by satellite clinics. There will be a 50% reduction in General Fund funded staff for the satellite clinics, (an overall 27% reduction of all satellite staff, including a 3.6 percent reduction in direct service providers).

JUSTIFICATION: (required by the Mayor's Office)

Primary Care staffing is not currently optimized because the number of support staff is not balanced with the providers they support. If staffing is correctly rebalanced, the clinics will be equitably staffed, and overall costs will be reduced.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

Overall, there will be a 13.8 percent reduction in direct service provider FTEs. The reduction is composed of a 3.6 percent reduction as a result of reduced satellite clinic hours and 1.4 percent reduction as a result of closing Castro-Mission evening care hours – both of which will result in service reductions (The percentage decrease in services is assumed to be equal to the percentage reduction in provider staffing, i.e. 3.6 percent fewer clients will be seen in the satellite clinics). The remaining 8.8 percent reduction is the result of realigning providers to each clinic's capacity during daytime clinic hours. Under this proposal, the Department believes that room utilization will be maximized and more patients will be seen in a more efficient manner, so the percentage reduction in provider staff FTE does not represent a reduction in clients served.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

Labor expense will decrease by \$2,754,612 and non-labor expense will decrease by \$313,656 in FY04/05. Patient revenue in the eight affected health centers will decrease by 13.8% or \$596,992, which is equal to the percentage decrease in providers (See Box Above); however after the implementation phase, this reduction should be less due to an expected increase in efficiency related to the new staffing model. The resulting 10-month General Fund savings will be \$2,471,276 in FY04-05, and \$2,965,532 in annual savings thereafter.

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

Primary Care positions will decrease by 26.60 FTE in FY04/05, effective 10/1/04. Details are attached.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Primary Care Restructure

	FY 2004-05 (10 Months)	Ongoing
Sources:		
Medicare O/P Revenue	\$ (59,698)	\$ (71,638)
Medi-Cal O/P Revenue	(513,413)	(616,095)
Other O/P Revenue	(23,881)	(28,657)
Subtotal Sources	(596,992)	(716,390)
Uses:		
Salaries and Fringes	\$ (2,754,612)	\$ (3,305,535)
Operating Expenses	(313,656)	(376,387)
Fac Maint & Equipment	-	-
Subtotal Uses	(3,068,268)	(3,681,922)
Net General Fund Subsidy Required (Uses less Sources)	\$ (2,471,276)	\$ (2,965,532)
Total FTE's	(26.60)	(31.92)

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's (10 Months)
	Details attached	
		-
		(26.60)
	Fringe (23.6%)	(2,228,651)
		(525,961)
		\$ (2,754,612)

Operating Expenses (List by Character)

040	Reduction in supplies expense	\$ (74,851)
027	Reduction in nonpersonal svcs expense	\$ (238,805)
		\$ (313,656)

Facilities Maintenance, and Equipment (List by each items by count and amount)

None

Initiative Number PHI
(Leave blank)

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| <input type="checkbox"/> Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | XX AIDS Office |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: **AIDS OFFICE**

PROGRAM CONTACT NAME/PHONE: **James Loyce, Jr. 554-8461/Brenda Walker 554-9495**

PROGRAM / INITIATIVE TITLE: **HIV Health Services - Shanti**

Robert Rybicki, Executive Director
730 Polk Street
San Francisco, CA

AMOUNT: **\$401,811**

TARGETED CLIENTS: HIV/AIDS clients

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

Reduce contractual services for Shanti, Peer and Practical support services for City-wide services in the amount of \$401,811

JUSTIFICATION: (required by the Mayor's Office)

HIV Health Services Planning Council, which has responsibility for Ryan White CARE funding, decided several years ago to reduce/eliminate emotional and practical support programs for persons living with HIV supported by CARE Funds. This action allowed HIV Health Services to meet budgetary grant targets and continue support for professional mental health programs. The reduction of these general fund supported programs in FY 2004-05 is consistent with that approach.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

34,800 units of service (includes services provided by volunteers) to 600 clients.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

02789-Medical Services Contracts

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

N/A

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Shanti Emotional & Practical Support

Sources:	FY 2004-05 (12Months)	Ongoing
Subtotal Sources		
Uses:		
Operating Expense	\$ (401,811)	\$ (401,811)
Subtotal Uses	(401,811)	(401,811)
Net General Fund Subsidy Required (Uses less Sources)	\$ (401,811)	\$ (401,811)
Total FTE's	0.0	0.0

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's
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Operating Expenses (List by Character)

02789	Reducing medical services contracts (12 Months)	\$ (401,811)
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Facilities Maintenance, and Equipment (List by each items by count and amount)

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| <input type="checkbox"/> Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | XX AIDS Office |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: **AIDS OFFICE**

PROGRAM CONTACT NAME/PHONE: **James Loyce, Jr. 554-8461/Brenda Walker 554-9495**

PROGRAM / INITIATIVE TITLE: **HIV Health Services – San Francisco AIDS Foundation**

Pat Christen, Executive Director

P.O Box 426182

San Francisco, CA

AMOUNT: **\$383,179**

TARGETED CLIENTS: HIV/AIDS clients

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

San Francisco AIDS Foundation subcontracts with the AIDS Health Project to provide emotional and practical support, City-wide, for a total of \$383,179.

JUSTIFICATION: (required by the Mayor's Office)

HIV Health Services Planning Council, which has responsibility for Ryan White CARE funding, decided several years ago to reduce/eliminate emotional and practical support programs for persons living with HIV supported by CARE Funds. This action allowed HIV Health Services to meet budgetary grant targets and continue support for professional mental health programs. The reduction of these general fund supported programs in FY 2004-05 is consistent with that approach.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

7,056 units of service, provided to 900 clients

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

02789-Medical Services Contracts

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

N/A

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: SFAF/AIDS Health Project-Emotional Support Svs

Sources:	FY 2004-05 (12Months)	Ongoing
Subtotal Sources		
Uses:		
Operating Expense	\$ (383,179)	\$ (383,179)
Subtotal Uses	(383,179)	(383,179)
Net General Fund Subsidy Required (Uses less Sources)	\$ (383,179)	\$ (383,179)
Total FTE's	0.0	0.0

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's
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Operating Expenses (List by Character)

02789	Reducing medical services contracts (12 Months)	\$ (383,179)
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Facilities Maintenance, and Equipment (List by each items by count and amount)

Initiative Number PH3
(Leave blank)

2004-2005 Program Change Request

DEPARTMENT NAME:

- | | |
|---|--|
| <input type="checkbox"/> San Francisco General Hospital | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Laguna Honda Hospital | <input type="checkbox"/> Mental Health |
| <input type="checkbox"/> Primary Care | <input type="checkbox"/> Substance Abuse |
| <input type="checkbox"/> Jail Health | XX AIDS Office |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: **AIDS OFFICE**

PROGRAM CONTACT NAME/PHONE: **James Loyce, Jr. 554-8461/Brenda Walker 554-9495**

PROGRAM / INITIATIVE TITLE: **HIV Health Services-Work Re-entry and Employment Program**

AMOUNT: **\$140,000**

TARGETED CLIENTS: HIV/AIDS clients who are seeking to enter/re-enter the workforce. Many of these individuals will be low-income and currently living on SSI or disability benefits.

PROGRAM DESCRIPTION: (Description of Program Change)

(If proposing reductions to Contractors, provide name of contractor, program and amount)

Reduce contractual services for the HIV Health Services work re-entry and employment program. Reduce contract services to the Positive Resource Center for employment services in the amount of \$140,000.

JUSTIFICATION: (required by the Mayor's Office)

This proposal will eliminate employment services for HIV/AIDS clients returning to work and/or seeking employment.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The reduction in contractual services will impact 300 clients and 2,432 UOS

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations-complete supporting budget doc)

02789-Medical Services Contracts

IMPACT ON DEPARTMENT'S WORKFORCE (increase or decrease of FTE's)

N/A

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: HIV Reentry to Work Program

Sources:	FY 2004-05 (12Months)	Ongoing
Subtotal Sources		
Uses:		
Operating Expense	\$ (140,000)	\$ (140,000)
Subtotal Uses	(140,000)	(140,000)
Net General Fund Subsidy Required (Uses less Sources)	\$ (140,000)	\$ (140,000)
Total FTE's	0.0	0.0

New Positions (List positions by Class, Title and FTE)

Class	Title	FTE's
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Operating Expenses (List by Character)

02789	Reducing medical services contracts (12 Months)	\$ (140,000)
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Facilities Maintenance, and Equipment (List by each items by count and amount)



Mitchell H. Katz, MD
Director of Health

May 3, 2004

Donna Calame
Executive Director
San Francisco IHSS Public Authority
939 Market Street, Suite 550
San Francisco, CA 94103

Dear Donna:

I am writing to you to inform you of some proposed changes to the Healthy Workers Program. As you know, this program provides health insurance to IHSS workers.

With the cooperation of your Department along with the Department of Human Services, and the San Francisco Health Plan, this program has been a great success. Each month enrollment grows. February, 2004 enrollment was 6,064 increased from 5,352 in June of last year.

With this success has come increased expense to the Health Department. Although we are able to defray a portion of this increased cost by drawing down federal dollars to cover the premiums, the draw down represents approximately 50% of our total cost. Therefore, the general fund cost to the Health Department for this program in fiscal year 04-05 is estimated at \$14 million.

It is therefore necessary to make the following three changes in the Healthy Workers program. I am happy to say that although these changes will substantially decrease the general fund needed for this program, the changes will have minimal impact on IHSS workers.

Increase premium for Healthy Workers. We propose a \$49 increase in the monthly premium, from \$201.80 to \$250.80 (including \$3.00 member co-pay). This increase will only affect what the Federal Government will pay and will not have any impact on the Authority or the IHSS workers.

2. Direct Healthy Workers to Health Department Pharmacy Network.

Currently Healthy Workers can go to over 100 pharmacies in San Francisco to have their prescriptions filled. We propose to have Healthy Workers have their prescriptions filled at the single commercial pharmacy (currently Rite-Aid) associated with their health center (e.g., the Ocean Park Health Center is associated with 17th & Geary Rite-Aid). This will enable the Health Department to obtain lower prices for the same pharmaceuticals.

3. Increase pharmaceutical co-pays.

Currently, Healthy Workers pay \$3.00 and \$5.00 co-pays for their medications. We are proposing changing this to \$5.00 for preferred drugs and \$10.00 for other drugs. This is the same co-pay we will be asking our indigent clients to pay and is lower than the co-pays of most commercial plans.

4. Health Department pharmacy service will determine formulary rather than the Health Plan.

In order to take full advantage of the lower pricing of pharmaceuticals through Option 2, the Health Department will use its formulary. Our formulary is quite extensive and the only impact expected on members might be a change in brand due to the fact that we get better pricing on certain brands than the Health Plan (e.g., we may ask the physician to prescribe Protonix instead of Prilosec).

Of note we are not proposing capping enrollment, limiting services, or increasing the monthly fee that beneficiaries pay (\$3.00 per month).

Although you know better than I, I believe that proposal Option 3 requires a formal meet and confer with the Union representation.

These proposals will be presented to the Health Commission on Tuesday May 11th, 2004 in an open hearing at 101 Grove Street, Room 300 at 3:30 PM. IHSS and Authority members are of course welcome.

If these proposals are accepted the Health Plan will conduct a multilingual education campaign to ensure that workers are aware of these changes.

Sincerely,



MITCHELL H. KATZ, MD
Director of Health

cc: Steve Kawa
Ben Rosenfield
Erin McGrath
Jean Fraser
Trent Rhorer
Phil Arnold
Sharon Kotabe
Gregg Sass