



Gavin Newsom
Mayor

Mitchell H. Katz, MD
Director of Health

MEMORANDUM

DATE: December 16, 2008

TO: President Jim Illig and
Honorable Members of the Health Commission

THRU: Mitchell H. Katz, MD
Director of Health

FROM: Gregg Sass
Chief Financial Officer

RE: **Mid-Year Reductions for the Department of Health**

On December 9, the Mayor released the Mid-year reduction plan for the City. The plan closes a \$118.29M projected deficit for the current year. Health Department reductions of \$36.04M are included in that plan. The DPH reductions include:

- A DPH balancing plan to address a \$21.84M projected current year deficit, and
- Mid-Year reductions of \$14.20M to address the \$90M City-wide deficit.
- Three additional reductions totaling \$1.57M (security outsource, single standard of care, and conversion of acute psychiatry unit) that will require legislation and are in pending status.

Attached is a revised spreadsheet updating the current status of each initiative.

DPH Balancing Plan

As discussed at previous Health Commission meetings, the Department is projecting \$24.7M in revenue shortfalls and excess expenditures. This is largely a result of the combined effect of state budget cuts to revenues, unfunded structural initiatives in the current budget, and higher than budgeted patient census at SFGH. Before we could address the General Fund mid-year reduction targets we were required to submit a balancing plan for the current year to eliminate the current year Department shortfall. We submitted a plan that addressed \$21.84M of the shortfall with a combination of additional revenues, deferred spending on initiatives, a freeze on filling vacant positions, and spending reductions to offset cuts to State matching of CCS expenditures. We also identified non-general fund sources to replace \$1M of general fund project costs. These items were included in the Mayor's reduction plan. These items are included in the attached side-by-side comparison.

DPH Mid-Year Reductions

The listing of mid year reductions submitted to the Mayor's Budget Office included all initiatives previously reviewed by the Health Commission plus one additional initiative that was identified after the December 2nd meeting for a total general fund reduction of \$17.43M. The Mayor approved \$14.20M of the reductions and did not accept \$3.23M as follows:

- HIV Prevention Cuts – The proposed cuts were reduced 50% from \$1.13M to \$565K.

4.1

- Health-at-Home – The proposed cut for \$405K was not accepted.
- Behavioral Health – The proposed cut for \$4.78M was reduced \$888K to \$3.89M, to lessen impact on substance abuse services.

The following three items were not included in the reduction plan. Each of them require legislative action in the form of State licensing approvals and Board of Supervisor approval and as a result will be considered at a later time in collaboration with the Board of Supervisors.

- Limit provision of MH services to the seriously mentally ill – The proposed cut for \$364K will require a charter amendment and was excluded.
- Conversion of a 21-bed Psychiatry unit to non-acute status – The initiative for \$315K will require State licensing approval and was excluded.
- Security Outsource – The initiative for \$895K will require legislative action to approve a Prop J and was excluded.

A new initiative was added, to reduce Health Educator positions by 8 for a savings of \$257K. We have included a write-up of this initiative outlining the rationale and financial impact as well as others that were revised since our last meeting.

It appears that the Department will not be required to submit additional cuts to meet the original \$26.7M target at this time, however, as the Controller continues to update financial projections, and as efforts by the State to balance the current year budget become more clear, it is possible that we will be asked to identify additional mid-year cuts.

The items on this listing that reduce services will be noticed for a Beilenson Hearing before the Health Commission on January 6.

DPH FY 2008-09 MID-YEAR REDUCTIONS - December 10, 2008

Item	Div	Description	2008-09 Net General Fund	Included in Mayor Proposal	Difference
REVENUE					
A1	Dept. Wide	08-09 Increased Revenue SFGH	(3,000,000)	(3,000,000)	
A2	SFGH	Increase Cafeteria Pricing	(22,500)	(22,500)	
	TOTAL REVENUE		(3,022,500)	(3,022,500)	
BUDGET REDUCTIONS					
F1	Environmental Health	Asthma Task Force	(77,000)	(77,000)	-
F2	CBHS	Behavioral Health Outpatient Reduction	(245,834)	(245,834)	-
F3	CBHS	Behavioral Health Outreach Reduction	(654,270)	(654,270)	-
F4	CBHS	Delay Bayview Health Initiative	(75,000)	(75,000)	-
F5	CBHS - MH	Restructuring Trauma Recovery Center/Rape Treatment Center and the Child and Adolescent Support and Advocacy Resource Center.	(301,657)	(301,657)	-
F6	CBHS - MH	Supplies for Shelters	(156,000)	(156,000)	-
F7	CBHS - MH	Provide Mental Health Services to persons with serious mental illness	(364,230)	-	364,230
F8	AIDS	Complimentary Therapies	(155,000)	(155,000)	-
F9	AIDS	HIV Prevention	(1,131,720)	(565,860)	565,860
F10	STD	STD Selective Testing	(72,500)	(72,500)	-
F11	HUH	Closure of housing projects in need of rehabilitation	(61,389)	(61,389)	-
F12	HUH	Elimination of funding for the Crisis Response Team/SFGH Emergency Housing Program	(151,684)	(151,684)	-
F13	HUH	SRO Collaborative	(148,828)	(148,828)	-
F14	PC	Medical Patch for Adult Day Health Center	(20,000)	(20,000)	-
F15	PC	Primary Care Reduction - Medically Indigent Adults	(141,699)	(141,699)	-
F16	PC	Primary Care Reduction	(104,759)	(104,759)	-
F17	SFGH	Conversion of One 21 Bed Acute Psych Unit to a Non-Acute unit	(315,027)	-	315,027
F18	SFGH	Convert all CNAs to Nursing Care Assistants for all units except SNF and BHC	(169,893)	(169,893)	-
F19	SFGH	Convert EKG Technician to Medical Evaluation Assistant (MEA)	(4,872)	(4,872)	-
F20	Dept. Wide	Security Outsource	(895,497)	-	895,497
F21	Dept. Wide	Management Reductions and Efficiencies.	(250,000)	(250,000)	-
F22	Dept. Wide	Elimination of vacant positions		-	-
F23	CBHS	Walden House	-	-	-
F24	LHH	Closure of Adult Day Health Center at LHH	(132,533)	(132,533)	-

F25	HAH	Health at Home	(404,521)	-	404,521
F26	JH	Jail Health	(23,566)	(231,566)	(208,000)
F27	SFGH	5% cut to UC Affiliation Agreement	(1,301,367)	(1,301,367)	-
F28	SFGH	Medical High User Program	(133,137)	(133,137)	-
F29	SFGH	Close the 4C Clinic on Holidays	(13,401)	(13,401)	-
F30	HUH	Termination of Contracted Case Management Services at Two Housing Sites and Replaced With MediCal Billable Staff	(272,721)	(272,721)	-
F31	CBHS	Reductions Community Behavioral Health Contracts	(4,775,988)	(3,888,248)	887,740
F32	CBHS	5% reduction in CBHS civil service clinics	(305,690)	(305,690)	-
F33	SFGH	Convert Unit Clerks to Clerks in Certain Outpatient Areas	(145,637)	(145,637)	-
F34	SFGH	Convert RN's in Certain Outpatient Clinics to LVNs and MEAs	(703,474)	(703,474)	-
F35	SFGH	Inpatient LVN Reduction	(402,406)	(402,406)	-
F36	CBHS	Clinic Co-location and Care Coordination	(35,000)	(35,000)	-
F37 NEW	Dept. Wide	Decrease Health Education	(257,869)	(257,869)	-
TOTAL REDUCTIONS			(14,404,169)	(11,179,294)	3,224,875
TOTAL REDUCTIONS AND REVENUE			(17,426,669)	(14,201,794)	3,224,875
Balancing Plan to address CY projected deficit					
		Additional revenue at SFGH	(9,000,000)	(9,000,000)	-
		Delay spending on initiatives	(1,740,000)	(1,740,000)	-
		Hold Vacant Positions	(8,900,000)	(8,900,000)	-
		Reduce General Fund Match - Loss of State Grant	(1,200,000)	(1,200,000)	-
		Substitute Non GF for GF emergency generator project	(1,000,000)	(1,000,000)	-
	Total		(39,266,669)	(36,041,794)	3,224,875

2008-2009 Program Change Request

DEPARTMENT NAME:

- ☐ San Francisco General Hospital
☐ Laguna Honda Hospital
☐ Primary Care
☐ Jail Health
☐ Health At Home

- ☐ Public Health
☒ CBHS - Mental Health
☒ CBHS - Substance Abuse
☐

DPH SECTION: Community Behavioral Health Services – Substance Abuse

PROGRAM CONTACT NAME/PHONE: **Bob Cabaj, 255-3447**

PROGRAM / INITIATIVE TITLE: **Community Programs Outreach Reduction**

GENERAL FUND: **\$654,270 General Fund Reduction in FY08_09**

\$1,338,860 General Fund Reduction in FY09_10

TARGETED CLIENTS: Adults with Substance Abuse Addictions and Adults with Mental Health Disorders

PROGRAM DESCRIPTION: (Description of Program Change)

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

Funding for eleven Community Behavioral Health outreach programs will be eliminated under this mid-year initiative. Additionally, the General Fund supplement for nine Substance Abuse Primary Prevention programs currently funded by the Federal Substance Abuse Prevention and Treatment Block Grant will be eliminated. The affected Agencies/Programs and the General Fund savings in FY08_09 and FY09_10 are as follows:

Richmond Area Multi-Services, Outreach - FY08_09: \$11,408; FY09_10: \$24,890

SF Study Center, Office of Self Help- FY08_09: \$68,869 FY09_10: \$150,260

SF Study Center, Socialization Through Empowering Peer - FY08_09: \$23,364 FY09_10: \$50,975

SF Study Center, Center for Special Problems - FY08_09: \$10,201; FY09_10: \$22,256

SF Study Center, Southeast Jobs Initiative Roundtable - FY08_09: \$8,122; FY09_10: \$17,720

Bayview Hunters Point Foundation, Family Center Outreach – FY08_09: \$158,897; FY09_10: \$346,685

Caduceus, Outreach Services – FY08_09: \$40,104; FY09_10: \$87,500

Larkin Street, Homeless Youth Outreach - FY08_09: \$93,789; FY09_10: \$204,631

National Council on Alcoholism, Information Center - FY08_09: \$52,735; FY09_10: \$115,059

St. James Infirmary: FY08_09 - \$75,000; FY09_10: \$75,000

Japanese Community Youth Council, Asian Youth Prevention Services - FY08_09: \$47,048; FY09_10: \$102,651

San Francisco Pre-Trial Prevention – Substance Abuse Referral Unit - FY08_09: \$32,300; FY09_10: \$70,472

Asian American Recovery Services, COPASSA Prevention - FY08_09: \$4,431; FY09_10: \$9,667

Bayview Hunters Point Foundation, Youth Prevention - FY08_09: \$1,664; FY09_10: \$3,631

Center on Human Development, Youth Striving for Excellence - FY08_09: \$2,274; FY09_10: \$4,961

National Council on Alcoholism, Youth Services - FY08_09: \$1,780; FY09_10: \$3,884

Westside Community Mental Health, Youth Aware Prevention - FY08_09: \$1,782; FY09_10: \$3,887

Youth Leadership Institute, Friday Nite Live - FY08_09: \$4,051; FY09_10: \$8,838

YMCA, Urban Services Prevention - FY08_09: \$16,451; FY09_10: \$35,893

JUSTIFICATION: (required by the Mayor's Office)

The need for multiple, small outreach projects has been reduced over the past year. The creation of Healthy San Francisco has generated wide publicity and outreach, bringing new individuals into treatment and coordinating the care of many who already received some services piecemeal. Healthy San Francisco now provides a primary health care home for most indigent San Franciscans, which creates a steady stream of individuals needing specialty mental health and substance abuse treatment to community treatment providers.

The consolidation of the Homeless Outreach Team and the MOST Team into 'SF First' provides a single, large, coordinated outreach unit focused on engaging populations identified as the top priority by the Department.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

This initiative will result in the reduction of outreach services to 1,234 unduplicated clients with an equivalent loss of 21,167 units of service.

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

This initiative will result in General Fund savings in the Medical Services Contract line as follows:

HMHSCCRES227: FY08_09: \$258,305; FY09_10: \$563,574

HMHMCC730515: FY08_09: \$309,557; FY09_10: \$675,396

HMHMCP751594: FY08_09: \$11,408; FY09_10: \$24,890

HCHPDAIDPRGF: FY08_09: \$75,000; FY09_10: \$75,000

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

There is no impact on the Department's workforce.

2008-2009 Program Change Request

DEPARTMENT NAME:

- ☐ San Francisco General Hospital
☐ Laguna Honda Hospital
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☐ Health At Home

- ☐ Public Health
☐ CBHS - Mental Health
☐ CBHS - Substance Abuse
☒ AIDS Office HIV Prevention Section

DPH SECTION: AIDS Office - HIV Prevention

PROGRAM CONTACT NAME/PHONE: **Dr. Grant Colfax 554-9173**

PROGRAM / INITIATIVE TITLE: **HIV Prevention Programs**

GENERAL FUND: **\$565,860 (midyear reduction), \$1,131,720 (annualized)**

TARGETED CLIENTS: Residents of San Francisco who are at high risk for HIV.

PROGRAM DESCRIPTION: (Description of Program Change)

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

HIV Prevention programs are guided by the priorities of the HIV Prevention Planning Council (HPPC). The HIV Prevention Section works closely with the HPPC to establish and implement programs reaching the highest risk populations. To manage the General Fund reduction, the HPS maintained the HPPC priorities to focus funding on gay men and other men who have sex with men, transgendered populations at risk, and injection drug users. Less funding is targeted to lower risk populations, such as females who sex with men and males who have sex with females. HPS proposes a cut across all programs, grant-funded and General Fund with the exception of syringe access (needle exchange) programs which will be held harmless. Programs will then largely be funded on grants to address the General Fund reduction. Syringe access programs will be maintained at current funding level because of the evidence that demonstrates the effectiveness of these programs in preventing HIV transmission among injection drug users and their partners. The low rate of HIV among heterosexual populations in San Francisco is often attributed to the early and continuous support of syringe access programs.

The HIV Prevention Section is meeting the HPPC priorities with the following plan:

1. \$565,860 will be reduced with the following methodology:

- Hold syringe access (needle exchange) programs harmless
- Reduce funding allocation for behavioral risk populations 7 (females who have sex with males [FSM]) and 8 (males who have sex with females [MSF]) to the levels recommended by the HPPC
- Achieve the remainder of the cut by reducing all other program funding by the necessary percentage.

The cuts are administered as follows:

- AGUILAS, Inc – Health Education/Risk Reduction - \$6,901
- Ark of Refuge, Inc – Prevention with Positives - \$3,658
- Asian and Pacific Islander Wellness Center – Health Education/Risk Reduction - \$8,612
- Bay Area Young Positives – Prevention with Positives - \$3,015
- Black Coalition on AIDS – Prevention with Positives/Health Education/Risk Reduction - \$6,349
- Girls After School Academy – Health Education/Risk Reduction - \$14,889
- Glide Foundation – Counseling, Testing, Linkages - \$19,603

- Harder & Co – Technical Assistance - \$3,514
- Institute for Community Health Outreach – Health Education/Risk Reduction - \$21,662
- Instituto Familiar de la Raza - Prevention with Positives/Health Education/Risk Reduction - \$8,705
- Instituto Familiar de la Raza - Health Education/Risk Reduction (youth) – \$20,413
- Iris Center - Health Education/Risk Reduction - \$30,947
- Larkin Street Youth Center - Health Education/Risk Reduction - \$4,318
- Larkin Street Youth Services- Counseling, Testing, Linkages - \$8,395
- Mission Neighborhood Health Center – Health Education/Risk Reduction & Counseling, Testing, Linkages - \$8,393
- Mobilization Against AIDS – Health Education/Risk Reduction - \$3,828
- Native American AIDS Project - Health Education/Risk Reduction - \$13,738
- New Leaf – Health Education/Risk Reduction - \$5,922
- PHFE – Fiscal Intermediary Svs – \$2,038
- San Francisco AIDS Foundation/Magnet/Stonewall/BBE – Health Education/Risk Reduction - \$26,964
- San Francisco LGBT Community Center – Health Education/Risk Reduction - \$3,873
- Shanti – Prevention with Positives - \$16,002
- St James Infirmary – Health Education/Risk Reduction - \$12,458
- STOP AIDS project – Prevention with Positives/ Health Education/Risk Reduction - \$27,650
- Tenderloin Health – Counseling, Testing and Linkages - \$10,235
- Tenderloin Health – Prevention with Positives - \$13,176
- Tenderloin Health – Prevention with Positives - \$12,346
- Tenderloin Health –Health Education/Risk Reduction - \$28,507
- Tenderloin Health – (HYA) Health Education/Risk Reduction - \$37,736
- UCSF AIDS Health Project – Counseling, Testing, Linkages - \$23,898
- UCSF AIDS Health Project – Health Education/Risk Reduction - \$6,104
- UCSF Women’s HIV Program – Prevention with Positives - \$20,533
- UCSF AIDS Health Project – Health Education/Risk Reduction - \$3,560
- UCSF Positive Health Practice – Prevention with Positives – \$2,600
- Walden House – Health Education/Risk Reduction & Prevention with Positives - \$9,207
- SFDPH/Community Health Prgs for Youth - Counseling, Testing, Linkages - \$4,315
- SFDPH/Forensic AIDS Project – Counseling, Testing, Linkages - \$68,805
- SFDPH/STD Prevention and Control– Counseling, Testing, Linkages - \$17,899
- SFDPH/STD Prevention and Control — Health Education/Risk Reduction - \$7,222
- SFDPH/STD Prevention and Control- Third Party Notification - \$2,550
- SFDPH/STD Prevention and Control – Prevention with Positives - \$3,286
- SFDPH/Tom Waddell Health Center – Counseling, Testing, Linkages - \$4,473
- SFDPH/Public Health Lab – Counseling, Testing, Linkages - \$7,561

JUSTIFICATION: (required by the Mayor’s Office)

To maintain the HIV prevention priorities of the HPPC, a reduction was made across all HIV prevention programs, with the exception of syringe access programs (needle exchange). Syringe access programs are demonstrated effective in preventing the transmission of HIV among injection drug users, a vulnerable and high risk population. Early support in San Francisco for syringe access programs has lessened the impact of HIV on injection drug users and their partners and may contribute to the low rates of HIV among heterosexual populations. Therefore these programs will be held harmless. Both grant-funded and city funded programs are cut, therefore, programs currently on General Fund will be moved to grant-funded to account for the budget reduction.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

This initiative will result in the reduction of services to 2,048 unduplicated clients with an equivalent loss of 9,981 units of services.

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

(\$565,860) General Fund Reduction, (\$1,131,720) General Fund Reduction Annualized

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

TBD

2008-2009 Program Change Request
Mid Year Reductions

DEPARTMENT NAME:

- ☒ San Francisco General Hospital
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☐

DPH SECTION: San Francisco General Hospital / Community Primary Care
PROGRAM CONTACT NAME/PHONE: Sue Currin / Michael Drennan MD
PROGRAM / INITIATIVE TITLE: **Replace RN's in Certain Outpatient Clinics with LVNs and MEAs**
GENERAL FUND: **(\$703,474)**

TARGETED CLIENTS:

PROGRAM DESCRIPTION: (Description of Program Change)

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

This initiative would replace Registered Nurses (RN) with Licensed Vocational Nurses (LVN) or Medical Evaluation Assistants (MEA) in outpatient areas that do not do treatments, procedures or see urgent care patients.

JUSTIFICATION: (required by the Mayor's Office)

This change is supported by our budget principle that reductions will be guided by the DPH Strategic Plan goal that "services, program, and facilities are cost-effective and resources are maximized." In the outpatient areas where there are no treatments, procedures and urgent care services, it is more cost effective to use lower level LVNs and MEAs to support the clinical operations. Patient care will not be compromised.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

None

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

This would reduce salary and fringe expense by \$703,474 for FY08-09 if fully implemented by February 20, 2009. The savings would increase to \$2,448,093 for FY 09-10.

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

There would be a reduction of 7.73 RN FTE's, an increase of 0.64 LVN FTEs and an increase of 6.61 MEA FTEs in FY 08-09.

Initiative Number F37
(Leave blank)

**2008-2009 Program Change Request
Mid-Year Reduction**

DEPARTMENT NAME:

☒ San Francisco General Hospital
☐ Laguna Honda Hospital
☒ Primary Care
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☐ Health At Home

☒ Public Health
☒ CBHS - Mental Health
☐ CBHS - Substance Abuse
☐

DPH SECTION: San Francisco General Hospital
PROGRAM CONTACT NAME/PHONE: Jenny Louie 554-2605
PROGRAM / INITIATIVE TITLE: **Reduce Health Education Initiatives**
GENERAL FUND: (\$257,341)

TARGETED CLIENTS:

PROGRAM DESCRIPTION: (Description of Program Change)

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

Assistant Health Educators in the lead prevention section (1), women's health center (1), primary care (3), quality management (1), and health promotion (2.9) perform a variety of education tasks.

JUSTIFICATION: (required by the Mayor's Office)

Health education services are a lower priority than providing direct health services. Moreover, these entry level positions are non-revenue generating.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

TBD

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

Effective February 20, 2009, decrease operating expenses \$257,869, in FY08-09 and \$886,970 in FY09-10.

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

2.96 FTE 2819 Assistant Health Educators will be reduced in 08-09 for a total FTE reduction to 7.9 FTE in 09-10.