

## MESSAGE FROM THE DIRECTOR

I am pleased to present the Annual Report for the City and County of San Francisco Department of Public Health for fiscal year (FY) 2003-04. This was a year of change for both San Francisco and the Department. Some of these changes brought significant challenges and difficult choices to the Department's staff and to residents of San Francisco, but through it all there was also a sense of renewal and hope for the future. This Annual Report shows that the Department accomplished much in FY 2003-04, never losing sight of its mission to protect and promote the health of all San Franciscans.



In November 2003, San Franciscans elected a new mayor who took office the following January. He brought with him strong convictions and clear priorities, and he acted swiftly to implement his vision. Most significantly for the Department, Mayor Newsom made the eradication of chronic homelessness one of his top priorities. After taking office, Mayor Newsom convened the Homeless 10-Year Plan Council, a true collaboration of City employees, advocates and other stakeholders, which created for San Francisco a plan to end chronic homelessness. In addition, the Mayor rallied assistance from outside the City, including Phil Mangano, Executive Director of the Bush Administration's Interagency Council on Homelessness, who showed great support throughout this process.

In June 2004, the Mayor was presented with the Council's plan, entitled "*Changing Direction-The 10-Year Plan to End Chronic Homelessness*." The plan's central strategy is a housing first model, which emphasizes immediate placement of the individual in permanent housing, with access to those on-site services necessary to stabilize individuals and keep them housed. Consistent with this approach, in October 2003, the Department's Housing and Urban Health (HUH) section opened the Empress Hotel, a 90-unit single room occupancy (SRO) hotel that offers housing to people directly from the streets. Using this supportive housing model, widely recognized as the best way to end chronic homelessness in San Francisco, HUH's Direct Access to Housing program now provides nearly 500 units of supportive housing and is planning for even more.

The greatest challenge facing the Department during this past fiscal year and continuing very much into the present day is financial. San Francisco opened FY 2004-05 with a budget deficit of \$320 million. As the Department represents 20 percent of the City's discretionary General Fund, we bore a large part of the deficit. Specifically, the Department reduced its General Fund by \$22.2 million and eliminated 165 positions. Because of the Department's commitment to direct services, the cuts were taken primarily in the administrative area (\$18.5 million and 130 full time positions).

Sadly this did not end the FY 2004-05 budget process. The FY 2004-05 budget was built on the assumption that the voters would pass Propositions J (sales tax) and Proposition K (business tax). Both propositions failed, resulting in a \$97 million deficit for the City. As I write this, we are processing an additional \$15 million of cuts.

These cuts have harmed our services, our clients and our staff. The cuts are counter to our mission: to protect and promote the health of all San Franciscans. However, we recognize that the City's financial crisis is real and dire, and that it is our job to determine the least harmful cuts. We have done this with the input of the Health Commission to the best of our ability.

Spurred by the financial crisis, we have developed better models of providing cost-effective care. For example, in FY 2003-04 the Department successfully developed a way to better care for homeless alcohol-dependent persons, while also reducing unnecessary ambulance and Emergency Room (ER) usage. The McMillan Stabilization Pilot Project began in July 2003 offering a medically supported sobering center. In its first year, there were nearly 5,000 admissions and over 2,000 unduplicated clients. The pilot succeeded in diverting patients from unnecessary ER and ambulance usage to a safe, more effective, and less costly level of care. The 24-hour, 7 day a week project provides 20 beds of medically supported sobering services, intensive case management, transportation, and linkages to detox, housing, and other services.

We have also found ways to make our existing services more efficient. For example, the Community Health Network provided 325,389 primary care visits to City residents in FY 2003-04, 1,837 more visits than the previous year. In this same time, the Community Behavioral Health Services section saw 24,405 clients for mental health services, an increase of 1,518 clients from the year before. Housing and Urban Health's units for the homeless have also increased, from 1,730 in FY 2002-03 to 1,814 in FY 2003-04.

I am fortunate to be a local health director in a City that so strongly supports public health and health care services and to work in a department with such a committed and knowledgeable staff. Our ability to meet the health needs of our community is dependent upon the caliber of our workforce. This report shows the many accomplishments of the Department's staff and our many collaborators. I am proud and appreciative of their expertise, their dedication, and their spirit. My continued gratitude to the Mayor, the Board of Supervisors, and the San Francisco Health Commission for their leadership, their support and their commitment to health. They have made San Francisco a leader in health care and health care access. I look forward to our continued work together to improve the health status of all San Franciscans.

***Mitchell H. Katz, MD***

**November 2004**