

Message From the Director

I am pleased to present the San Francisco Department of Public Health Fiscal Year 2005-2006 Annual Report. This has been an exciting year for me on both a personal and professional level. The year began for me with the welcome addition of Max's sibling, Roxie to our family. While my own family grew this year, so did the challenges and rewards of being Director of Health. As I enter my tenth year as director I look back proudly at what we have achieved and look forward to the exciting opportunities that lay ahead.

My tenure as Director of Health has been shadowed by difficult financial times. For the last several years, the Department struggled with large financial deficits in our healthcare delivery system. With the downturn of the dot com industry, the horrifying events of 9/11/01 and cuts in federal health and human service funding, keeping the Health Department financially viable has been my priority. We succeeded in our efforts, by taking creative approaches to reducing costly hospital stays and by increasing community based care.

We have continued to augment community-based care through the Department's Direct Access to Housing (DAH) program expanding housing options as an alternative to institutional care. The DAH program master leases rooms in single room occupancy hotels, rents blocks of rooms in larger buildings and has implemented short-term stabilization housing for targeted programs for underserved populations. The program currently provides 821 housing units in 13 buildings. Another 120 units will be added in FY 06-07. Sixty of these beds are included in the new Medical Respite Program that will provide temporary housing with medically oriented supportive services for frail homeless persons leaving the hospital. It is hoped this program will reduce non-acute uncompensated days at San Francisco General Hospital and be a link to stable permanent housing for clients exiting respite. DAH has an additional 378 units in the pipeline scheduled for completion by 2009.

Earlier this year, the Department worked successfully with Assembly Member Mark Leno to introduce AB 2968, which requires the State Department of Health Services to



seek a Medi-Cal waiver to increase community-based care options for San Franciscans with chronic or disabling health conditions who would otherwise be homeless, living in shelters or institutionalized. According to a review of Laguna Honda residents approximately one quarter (over 250 residents) could be cared for in a community-based setting. However, Medi-Cal reimbursement policies favor care in inpatient institutional settings by paying more for Skilled Nursing Facility (SNF) care than for community care. As a result, alternatives to institutional care for homeless, low-income Medi-Cal beneficiaries with chronic or disabling health conditions are limited, and this population often must remain in costly inpatient settings longer than medically necessary. The waiver request was passed by the legislature and signed into law by the Governor September 30, 2006.

San Francisco has always been a leader in efforts to expand access to health care coverage for its uninsured residents and workers and this upcoming year holds the prospect of the largest expansion to date, implementation of the San Francisco Health Access Program (SF HAP). In June 2006 the Board of Supervisor's unanimously passed legislation that combined Supervisor Ammiano's Workplace Security Ordinance and Mayor Newsom's SF HAP. The law will improve the health status of thousands of previously uninsured residents and, at the same time, will significantly impact the way DPH operates.

The new ordinance combines the HAP model with a health-spending mandate affecting businesses with more than 20 employees. Businesses have a variety of methods for fulfilling the health-spending mandate including providing private insurance, paying for the HAP for their employees, or setting up accounts for employees to draw on for medical expenses. I believe that the City and County of San Francisco's new healthcare initiative will serve as a model for jurisdictions around the country.

Although the Department's programs have historically been on the cutting edge internationally, the quality of our physical infrastructure has often lagged. We are pleased that in the past year we have made significant progress on retrofitting or replacing existing facilities.

- **Laguna Honda Hospital Rebuild**

Voters in the City and County of San Francisco passed Proposition A, a bond initiative to rebuild Laguna Honda Hospital in November 1999. The City is in the process of constructing a new campus on the Laguna Honda Hospital site, which will provide housing and a complete continuum of long-term healthcare services. This facility, by design, encourages rehabilitation and independent living while setting the standard for enhancement of the quality of life. Phase One of the new construction began in mid 2005 and will add 780 beds; the first two buildings will be ready for residents in late 2008. The 140 Assisted Living units will be completed in 2013.

- **San Francisco General Hospital Replacement Project**

In 1996, California Senate Bill (SB) 1953 was passed requiring that all California acute care hospitals meet upgraded seismic safety standards by 2013. If hospitals fail to comply with these regulations, they will have to close their acute care facilities after 2008. As one of the nations leading public teaching hospitals, SFGH has for over one hundred years provided a wide range of ambulatory and acute care services to generations of San Francisco residents. It would be extremely difficult, if not impossible for private hospitals to assume the safety-net role, the responsibility of providing Level I trauma, and the myriad of high-quality services provided to complex and uninsured populations.

A Blue Task Force was established in FY 05-06 by Mayor Newsom to make recommendations for the rebuilt hospital. The Task Force concluded that the rebuild should occur on the current footprint on the SFGH site. The City has invested 13 million dollars in the FY 06-07 budget to begin to fund design and environmental work for the rebuild. This work is being undertaken prior to going to the voters with a bond initiative to fully define the project minimizing the risk of cost overruns due to unexpected costs and inflation.

- **Retrofit and Make Primary Care Centers ADA Compliant**

DPH is in the process of retrofitting all our Primary Care Centers. The clinics were not originally designed to provide primary care, but rather were neighborhood health centers. As a result, the clinic space needs to be redesigned to provide more exam rooms and to improve clinic operations, capacity, efficiency and productivity.

I am fortunate to be a local health director in a city that so strongly supports public health. San Francisco's policy makers, the Mayor, Board of Supervisors and the San Francisco Health Commission have shown exemplary leadership and a strong commitment to health. I could not do my job without their continued support. Of course, it goes without saying that the Department of Public Health would be nothing without our dedicated and capable staff. I am proud and appreciative of their support through the recent lean budget years and look forward to working together to implement the new Health Access Program. I am optimistic as I look ahead that collectively we will be successful in improving the health status of all San Franciscans.

Mitchell H. Katz, M.D.
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