

MESSAGE FROM THE DIRECTOR OF HEALTH ON FY 2011-12 BUDGET

Introduction

Over the past three weeks we have been working on a plan to meet the General Fund reduction targets requested by the Mayor's Budget Office. While the plan we are submitting makes deep cuts in health care services, it does not fully achieve the requested level of General Fund savings. With the agreement of Mayor's Budget Office, we are deferring additional cuts pending resolution of certain revenue items that are too uncertain to include at this time but may provide additional solutions in time to be included in the Mayor's Budget on June 1. Should these revenue items not materialize in time, it may still be necessary to make additional spending cuts to close the remaining gap. The following plan is comprised of additional revisions to our Base Budget, spending cuts to behavioral health, and a proposal to outsource our security services.

The following schedule summarizes the major elements of our plan and brings us within \$13 million of the combined base and contingency reduction targets.

	March 15	Revisions	April 5
<u>Mid-Year Reductions to 2010-11</u>	\$ 10,200,000	-	\$ 10,200,000
<u>Budget Year Reductions to 2011-12:</u>			
Revenue Increases	\$ 46,125,625	-	\$ 46,125,625
Revenue Neutral	20,844	-	20,844
Inflationary	(9,897,220)	1,500,000	(8,397,220)
Regulatory	(1,955,571)	-	(1,955,571)
Emerging Needs	(3,633,383)	-	(3,633,383)
Reductions	<u>1,310,760</u>	<u>-</u>	<u>1,310,760</u>
Subtotal General Fund Reduction	\$42,171,055	\$1,500,000	\$43,671,055
Contingency Plan	-	<u>13,050,366</u>	<u>13,050,366</u>
Total General Fund Reduction	\$42,171,055	(\$14,550,366)	\$56,721,421
General Fund Base Reduction Target	<u>69,600,000</u>	-	<u>69,600,000</u>
Difference	<u>\$27,428,945</u>	<u>\$14,550,366</u>	<u>\$12,878,579</u>
FTEs	<u>117.63</u>	<u>(83.00)</u>	<u>34.63</u>

Following is an overview of changes made since the last meeting. We have attached exhibits that provide additional information on the items listed below:

Revisions to the Base Budget

In response to our request to reduce cost increases related to our Affiliation Agreement with UCSF, and in recognition of the serious deficit facing the City and the Department, the Dean's Office, working with the UC Faculty, has eliminated a request to adjust compensation for physicians in Psychiatry, Anesthesia, and Medicine and reduced the General Faculty increase by more than half, for a combined savings of \$1,500,000.

Following is a summary of the changes described above. Additional information is included in attached exhibits.

	March 15	April 5	Net Change
UCSF Faculty AAMC and Market Adjustments (B4)	\$994,330	\$0	\$994,330
UCSF Faculty Increases (B3)	<u>1,315,897</u>	<u>810,227</u>	<u>505,670</u>
General Fund Savings			\$1,500,000

Reductions Towards the Contingency Target

Service Cuts

While we have been able to meet and significantly exceed our base budget targets without reductions to services, additional reductions cannot be made without service cuts. The Contingency Plan therefore includes \$13,050,366 in reductions in civil service and contractor costs.

The reductions in service are once again focused in Behavioral Health. As in past years, we are limited in our ability to make similar reductions in our hospitals for several reasons. Much of the funding to SFGH under the new Medi-Cal waiver is tied to achievement of milestones which require us to invest in expanded services to reduce wait times and bring new technology to facilitate integration and exchange of health information. It is very difficult to make service reductions in a year when additional investment is required. In addition, our hospitals (and jail health) provide services on a 24- hour basis and are subject to licensure and legal requirements. At SFGH we must provide a full range of specialty, diagnostic and inpatient services to maintain our Level 1 Trauma status. And finally, and perhaps most importantly, the General Fund subsidy and Realignment funding in our hospitals and other DPH divisions provides the local match to draw down federal funding. In order to access funding from the Medi-Cal 1115 waiver for MediCal and the uninsured, we must fund at least 50% of the costs of those services. This same requirement is operational to access federal funding for Healthy San Francisco, Healthy Workers, the Skilled Nursing Supplemental payments at Laguna Honda Hospital, and Short-Doyle / Medi-Cal funding for mental health services. The following schedule summarizes the local matching funding needed to qualify for federal funding. In addition, the schedule also includes the maintenance of effort required for Title I CARE grants. As can be seen from this schedule, a very large component of our existing \$545M General Fund and Realignment funding is needed to draw down the federal funding.

Funding Stream	Total Cost	Federal Match	Local Share
Med-Cal Waiver			
- Inpatient	\$123M	\$61.5M	\$61.5M
- Uninsured and Other	253.9M	120.4M	133.5M
LIHP (Healthy SF and coverage expansion)	59.2M	29.6M	29.6M
Distinct Part Nursing Supplemental	55.4M	16.7M	38.7M
AB915 (SFGH OP supplemental)	13.6M	6.8M	6.8M
Healthy Workers	28.1M	15.4M	17.8M
TCM and MAA	16.0M	8.0M	8.0M
California Children's Services	8.1M	4.5M	3.6M
Short-Doyle MCAL			
- Inpatient	13.5M	5.4M	8.1M
- Outpatient	119.4M	51.7M	67.7M
CARE Formula Grant	<u>31.1M</u>	<u>21.8M</u>	<u>9.3M</u>
Total	\$716.9M	\$341.8M	\$375.1M

In addition to the items above, we also rely on General Fund to pay for Jail Health services, Primary Care services to the uninsured, costs of supportive housing, and other public health functions such as disease control, and prevention which together account for an additional \$100 million in General Fund.

We have also strived to maintain a balance between cuts to civil service programs and contractors in behavioral health. We rely on our community partners who provide the majority of services in Mental Health and Substance Abuse. This is clear from a review of the 2010-11 approved budget for Mental Health and Substance Abuse where contracted services exceed 78% of the total appropriations. It is also noteworthy that, over the past several years, while reductions have been proposed for civil service and contractors each year, the Mayor and Board of Supervisors have generally restored cuts to contracted services while accepting many civil service cuts. We therefore find it increasingly difficult to absorb additional civil service reductions. Following is a table that summarizes cuts made to contracted services and civil service programs in the approved budgets over the past three years. Information on the table is detailed in an attachment to this report.

Fiscal Year	CBO Reductions	Civil Service Reductions	Total Reductions	CBO % to Total
2008-09	\$3.25M	\$25.92M	\$29.17M	11.1%
2009-10	14.63M	37.06M	51.69M	28.30%
2010-11	<u>1.72M</u>	<u>12.23M</u>	<u>13.95M</u>	<u>12.31%</u>
Total	\$19.60M	\$75.21M	\$94.81M	20.67%
Percent of Total	20.67%	79.33%	100.00%	---

The reductions in our contingency plan, excluding the security outsource, reflects an 88%-12% balance between contractor and city-run services. This ratio is in line with the ratio of contracted services to civil service programs in Behavioral Health (78%) and will likely shift towards city-run services as the budget process advances through final approval.

Contracting Security Services

In order to minimize the negative impact of cuts in services to our clients, we have decided to resubmit a proposal to contract out security services at SFGH and LHH as an alternative to the continued high cost of our workorder with the Sheriff. In crafting this initiative we have committed to a "no-layoff" approach that will return Sheriff Deputies to staff the jails and other posts to meet the staffing needs of the Sheriff. We are proposing to reassign Institutional Police Officers to cover our community clinics thereby avoiding staffing reductions. A proposal in the 2010-11 budget to create a Civil Service security force has proven to be very difficult to implement and is far more costly than originally projected. The costs of recruitment and hiring, which requires costly background checks and training time, and the costs of backfilling staff were not included in the civil service budget funded last year. Approval of this item will require approval of a Prop J by the Board of Supervisors. Given the alternatives of additional, deeper cuts in service, we are hopeful that this initiative can gain the necessary support to move forward and capture savings for the coming and future budget years.

Following is an overview of the elements of our contingency plan. We have proposed no cuts to children's services, health prevention or AIDS services.

	FTE's	General Fund Savings
Community Programs CBO and Civil Service Reductions (F3)	10.0	\$5,550,000
Relocation of Clients to ADA Accessible Housing (F4)	2.0	1,074,054
Residential Treatment (F5)		3,450,000
Outsource Security (F6)	<u>71.0</u>	<u>2,976,312</u>
Total Reductions	83.0	\$13,050,366

Revenue Potential

The budgets for 2009-10 and 2010-11 included a revenue estimate for a State Plan Amendment to fund excess costs of Short Doyle / Medical in the Mental Health division. We included \$4 million for 2009-10 representing a six month effective period. When the Plan did not get submitted timely we included \$12 million for 2010-11 (\$8 million annual plus the \$4 million retro for the prior year). As of the date of this report, the Plan has still not been approved and we do not expect approval this fiscal year. We do not want to carry the \$12 million forward into the 2011-12 budget as a revenue item at this time until we have a better sense about when it might finally be approved. However, given the potential that it might generate the funding needed to meet our contingency target, we have approval to defer additional cuts for now, with the understanding that additional cuts may be required if we cannot confirm that this revenue is probable for 2011-12.

Reductions in AIDS Grants

Our decision to hold AIDS services harmless in our contingency plan is because of the expectation that we will lose a \$4.1M federal earmark to augment the CARE Formula award to preserve stop-loss funding. We have not been able to backfill this loss in funding in our balancing plan as to do so would require deeper cuts elsewhere in services. Therefore, while this item does not directly affect our General Fund, a backfill of this would require General Fund and remains as a policy issue for the Mayor and Board of Supervisors.

Conclusion

While the extent of cuts is perhaps less than feared, they are significant particularly for those clients of contractors and programs impacted by the cuts. It is also possible that additional cuts will be needed to balance the City budget should revenue solutions not materialize. We will return to the Health Commission in two weeks to provide an update, respond to questions and seek approval of the contingency plan.

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SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH							
FY 2011-12 PROPOSED BUDGET - April 5, 2011							
Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
REVENUE							
GH	A1	SFGH Baseline Revenue		30,646,050	45,664,503	(15,018,453)	Revenue increases come from: higher patient and trauma fees; increased enrollment in the Low Income Health Program; and an increase in DSH, Safety Net Care and DSRIP pool funding under the new 1115 Waiver. Revenue decreases are from a decrease in Healthy SF Employer fees. An increase in expenses is made up of a \$30M intergovernmental transfer to fund LIHP, DSRIP and movement of SPD's into managed care, and a \$646,050 increase in the UCSF Affiliation Agreement to reflect the increase in trauma pay as a result of restructuring to a 2-tiered system.
EHS	A2	Environmental Health		227,204	227,204	-	Baseline revenue adjustment with related cost increases for full cost recovery.
LHH	A3	LHH Baseline Revenue		-	8,134,867	(8,134,867)	The majority of the revenue increase will come from Medi-Cal SNF per diem rate increase, which is projected at 5.6% and is consistent with the average percentage from the past five years. We are not incorporating any other possible reductions to this rate because of any State budget decreases.
DPH	A4	California Medicaid Section 1115 Waiver (DSRIP)	49.21	20,414,939	39,938,855	(19,523,916)	Program investments needed to meet compliance with California's 1115 Waiver DSRIP (Delivery System Reform Incentive Pool) and the State's Department of Managed Care's "timely Access to Healthcare" requirements.
DPH	A5	Low Income Health Program (LIHP)		1,309,648	3,698,000	(2,388,352)	Provision of non-emergency medical transportation services and out-of-network hospital emergency department and post-stabilization inpatient services to meet compliance with California's 1115 Waiver Low Income Health Program (LIHP). LIHP allows counties to expand access to care/coverage to low-income residents that will become eligible for Medi-Cal or the California Health Benefits Exchange in 2014. LIHP builds on the previous Health Care Coverage Initiative (HCCI) under the State's previous 1115 Waiver and will be designated as SFPATH in San Francisco.
GH	A6	Electronic Health Record Incentive Program (Meaningful Use)	13.96	8,842,958	9,902,995	(1,060,037)	The Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs will provide incentive payments to eligible professionals and hospitals as they adopt, implement, upgrade or demonstrate meaningful use of certified EHR technology. Hospitals are eligible for both Medicare payments (made over 4 years) and Medicaid payments (made over 6 years). There will be a reduction of payments, penalties or ineligibility if hospitals do not become eligible by certain dates. Various DPH professionals are also eligible for incentives from Medicaid. Payments are made over a 6 years period. To meet the requirements of meaningful use, additional software, hardware, infrastructure, consulting, training and backfill of existing staff is needed, including the costs for E Clinical Works and CPOE.
TOTAL REVENUE			63.17	61,440,799	107,566,424	(46,125,625)	
INFLATIONARY							

7.7

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
GH	B1	UCSF Staff Increases		1,596,623		1,596,623	UCSF is contractually obligated to implement salary and benefit increases for staff in accordance with negotiated employment agreements. This also includes UCSF allocated costs, such as paycheck processing, email account support, HR and labor relations support for the UCSF staff working at SFGH under the Affiliation Agreement.
GH	B2	UCSF Retirement Plan Contributions		2,145,933		2,145,933	The Regents of UCSF suspended contributions to the plan in 1990 as the actuary and the auditor confirmed the UCRB was adequately funded for many years into the future. The funded status has deteriorated significantly and The Regents approved a plan to resume contributions. The employer contributions will increase by 3% effective July 2, 2011. Even with this increase, UCSF fringe benefits as a % of salaries is below the CCSF rate of 46%. If the increase is not funded, there would be a reduction in the UCSF work force with a reduction in services.
GH	B3	UCSF Faculty Increases		810,277		810,277	UCSF faculty have mandatory pay increases based on years of service. Section VI.B.2.b.(i) of the Affiliation Agreement specifies that the budget shall be amended to reflect specific mandatory salary and wage adjustments. If the increase is not funded, there would most likely be a reduction in services. (reduced by \$506K Apr 5 version)
GH	B4	UCSF Faculty AAMC and Market Adjustments		-		-	Initiative removed from base budget.
GH	B5	UCSF Hospitalist Coverage		1,168,200		1,168,200	The ability of medical residents in training to be in the hospital has been curtailed by new regulations governing work hours and resident supervision. Work hours will be reduced through changes in regulations by the Accreditation Council of Graduate Medical Education (ACGME) effective July 1, 2011. This proposal requests ongoing funding to support 5.5 FTE hospitalist UC physicians who will provide 24/7 coverage for backfilling the reduced medical resident work hours.
DPH	B6	Pharmaceutical Inflation		1,549,782		1,549,782	Nation-wide projections for inflationary increases in drug costs for outpatient settings and hospitals are as high as 6%. DPH-wide, pharmaceutical expenses are projected to increase by 4% next fiscal year. The increase is due to increased patient and prescription volume and introduction into the market place of novel and costly agents for a variety of diseases and the replacement of items in short supply nationally with more costly alternatives. SFGH \$882,239, LHH \$211,767, JHS \$141,392, PC \$17,630 and CBHS \$296,754.
HUH	B7	Annual DAH Master Lease and Local Operating Subsidy Program (LOSP) Increases		160,118		160,118	The Direct Access to Housing Program (DAH) currently has 23 (DAH) sites totaling approximately 1,000 units of supportive housing. The master lease sites incur annual increases required by the lease agreements and non-profit owned sites receive operating subsidies through the LOSP that also have built-in increases.

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
CBHS	B8	Mental Health Hospitals Funding		966,337		966,337	Community Behavioral Health Services purchases 41 beds from Mental Health Hospitals; locked inpatient facilities. This is the highest level of care possible for seriously mentally ill individuals. While the Community Placement Unit moves clients out of Mental Health Hospitals as the clients becomes ready, there are always on-going clients requiring this level of care. As a result, the City must absorb the annual rate increases. The annual rate increase has ranged from 21.5% in FY07-08 to 6.6% between FY09-10 and FY10-11. The proposed initiative would fund FY10-11 rate increase of \$489,302 and a projected 6.6% rate increase of \$497,035 into FY11-12. (FY10-11 rate increase was covered with one-time funding)
	BX						
		TOTAL INFLATIONARY	0.00	8,397,270		8,397,270	
		CUMULATIVE TOTAL	63.17	69,838,069	107,566,424	(37,728,355)	
		REVENUE NEUTRAL					
GH	C1	Emergency Medicine Residency Program Yr. 4 of 4		394,321	394,321		This request will support year 4 of a 4-year Emergency Medicine Residency Program approved by the ACGME. The first year of the Program started in July 1, 2008. The request for the first year (08/09) was ongoing funding for 6 R1's (Residents year 1), for year 2 (09/10) ongoing funding for 6 R2's and for year 3 (10/11) ongoing funding for 6 R3's. With funding this year (11/12) for 6 R4's, there will be 24 residents in the training program. This program will greatly improve recruitment of attending physicians and decrease patient wait times.
GH	C2	Prospective Payment System for End Stage Renal Dialysis		132,000	132,986	(986)	Effective January 1, 2011, CMS will make a single, prospectively determined ("bundled") payment to ESRD facilities. This bundled payment will include approximately 53 lab tests which were previously billed and paid for separately. The SFGH lab is not set up to perform all of these specialized ESRD lab tests, but outside labs have already made the required changes. Increase in outside lab costs will be offset by increased Medicare payments.
GH	C3	OHS Computer Equipment Upgrade		112,350	112,350		Occupational Health Services critically needs to upgrade to a more advanced computer system to better track examinations, tests, evaluations for our work order customers as well as for The Joint Commission, the State, the City and hospital executive staff statistics. This enhancement from our current computer system to a web-based state of the art system requires us to upgrade our existing computer hardware. This is a cost neutral project that will be covered by increases in workorder recoveries from other departments.
GH	C4	Revenue Maximization Through Improved Coding	1.54	192,090	192,090		A coding-specialist consulting firm found in 2010 that due to coding errors for Medicare, the hospital could have been underpaid by as much as \$2-\$3 million for the year. Findings included the fact that the hospital does not have a concurrent documentation improvement process in place and that coders did not often query the attending physicians to ensure that problematic coding issues were clarified by physician input. Additional staff who is proficient at inpatient coding is needed in order to perform prospective chart reviews, conduct ongoing training and put in place a concurrent documentation review process to include ongoing interaction with the medical staff.

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cos/ (Savings)	Comment
EHS	C5	Environmental Health Base Closure Program	0.77	110,617	110,617	-	The Environmental Health's Base Reuse Program implements and enforces environmental regulations under San Francisco Health Code Article 31 and provides oversight for environmental health related programs for redevelopment. There is a need for an increased level for environmental engineering review and oversight as more land is being prepared for and transferred from the Navy to the San Francisco Redevelopment Agency and redeveloped. Based on this increased workload, this program will increase its billable hours in the redevelopment agency and increase revenue.
LHH	C6	LHH Pain Clinic	0.19	43,128	43,128	-	This initiative will expand clinical services at Laguna Honda Hospital to provide pain management for targeted patients. It will help the hospital meet the regulatory requirements to optimize pain management and reduce the percentage of patients who have been identified as having moderate to severe chronic pain.
LHH	C7	LHH Enteral Feeding Program Certification	1.54	242,642	262,500	(19,858)	Laguna Honda Hospital will undergo an accreditation process to increase Medicare Part B revenues for services provided to Medicare Part-B eligible residents who require enteral feeding as a sole source of nutrition.
CBHS	C8	Short Doyle Medi-Cal Annualization		295,000	295,000	-	This initiative would budget ongoing Short Doyle Medi-Cal revenues reflecting current revenue generation, (budgeted with one-time dollars) by these contractors which would allow them to maintain their current level of services, as well as the annualization of new Medi-Cal eligible programs in FY10-11 resulting from the Mega RFP in CBHS.
CBHS	C9	Drug Medi-Cal Methadone Treatment Services		382,500	382,500	-	Expansion of Drug Medi-Cal covered Methadone Treatment Services. The county is required to reimburse Methadone treatment providers for the cost of delivering these services. The proposed initiative will provide reimbursement for the actual number of Medi-Cal clients seen by Ft Help who has opened a new site, Mission Help, at 1101 Capp Street. The revenues will fund an estimated 75 Methadone slots for Medi-Cal beneficiaries. Average annual cost is \$5100 per slot, with a projected total for 2011-12 is \$382,500.
CBHS	C10	Efficiency Pilot for CBHS Clinics	0.77	82,999	82,999	-	This initiative will pilot the integration of Health Workers in CBHS clinics to expand eligibility and clinical related functions at three sites, including child, adult and comprehensive clinics. The Pilot will assess to what degree clinicians would be able to see more clients and provide more direct care to the clients, thus providing better care and increased revenue.
CBHS	C11	UCSF/CBHS Public Psychiatry Fellowship Program.		40,000	40,000	-	CBHS in partnership with SFGH and UCSF will establish a Public Psychiatry Fellowship Program to enable general psychiatry fellows to work in CBHS community-based clinics, thereby providing experience and training on how to work in a community-based setting, with the goal of enticing them into future community-based employment. Funding would be provided by the Workforce Development and Training funds of the Mental Health Service Act (MHSA) matched with Short Doyle Medi-Cal generated by the psychiatric fellows. This initiative is requesting the Medi-Cal matching funds of \$40k in FY11-12 to annualize to \$80k in FY12-13 with the goal that the time-limited MHSA funding would not be required in the future to sustain the program.

7.10

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
CBHS	C12	Mental Health Services Act; Integrated Healthcare for Youth	4.62	364,628	364,628	-	Community Health Programs for Youth (CHPY) and Community Behavioral Health Services (CBHS) will leverage clinic and school-based services with MHSA Innovation (INN) funding to better meet the behavioral health needs of youth living in the southeast neighborhoods of San Francisco by (1) implementing early intervention services at 3rd Street and Hawkins clinics, (2) expanding school-based services and linkages, and (3) supporting increased capacity at the Balboa Teen Health Center. This expansion will be supported by Mental Health Services Act innovative programming funding.
LHH	C13	LHH Weekend Admissions and Discharge Planning Enhancements	1.54	218,456	218,456	-	This initiative seeks to improve both admission and discharge process at Laguna Honda Hospital through (1) the expansion of admissions to Laguna Honda Hospital admitting unit from SFGH to weekends will expedite admissions from SFGH to LHH and to maintain LHH skilled nursing census at the target level. This will also require an extension of pharmacy hours from the current 6-day operation to a 7-day operation. (2) Enhancements to the RTZ SF GetCare system to add access of assessment by SFGH and community programs to ensure continuity of care as recommended by DPH Recovery and Wellness Committee.
	C14	MCH Field Nurses					Initiative and related FTE's removed
PHP	C15	Public Health Lab Billing	0.77	66,447	66,447		The Public Health Lab does not have dedicated staff to do billing the addition of a dedicated 1820 Jr. Administrative Analyst to handle billing and other administrative functions would increase lab revenue.
GH	C16	Radiology Registry Conversion to CCSF FTEs	3.85				Per meet and confer discussions with SEIU 1021, the Dept has agreed to submit a proposal to convert the radiology registry professional services budget to 5 FTE civil service Radiology Technologist positions. This would bring the amount of Registry use to a baseline level to cover non-productive time of Civil Service employees. This initiative will be cost neutral. Labor expenses will increase by \$587,335 and professional services will reduce by \$587,335.
	CX						
		TOTAL REVENUE NEUTRAL	15.59	2,677,178	2,698,022	(20,844)	
		CUMULATIVE TOTAL REGULATORY	78.76	72,515,247	110,264,446	(37,749,199)	
GH	D1	DPH Courier Services	0.77	54,670		54,670	A contractor is used to augment civil service staff who provide medical courier services. The Civil Service Commission conditionally approved the Personal Services Contract (PSC) subject to DPH making efforts to have as much work as possible performed by civil service classifications. DPH has determined that one additional position could be utilized to perform more lab delivery services at SFGH. Expenses will include a one time capital equipment purchase of a commercial van in the first year.
GH	D2	OR-IVAC Pharmacy Staffing	3.85	717,349		717,349	The California Dept of Health Services (DHS), Centers for Medicare/Medicaid Services (CMS), and Joint Commission on Accreditation of Healthcare Organizations (JCAHO) had conducted recent surveys focusing on medication use and pharmacy services. Deficiency findings are cited in the areas of security, accountability, storage and quality of medication use in the Operating Rooms. This request will ensure compliance with the plans of corrections for the cited deficiencies.

7.11

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
LHH	D3	LHH Medication Reconciliation	0.58	107,179	-	107,179	Federal and state regulations have expanded to require providing medication reconciliation and pharmacist medication regimen review for individuals as they transition between different levels of care. The transition from acute hospital to SNF is a time when medication errors often occur. Medication reconciliation will meet California Department of Public Health's patient safety license survey standards, which took affect January 1, 2010. This budget initiative proposes a provision of medication reconciliation and an initial medication regimen review for all admissions to Laguna Honda Hospital.
GH	D4	SFGH Rehabilitation Services	9.32	1,181,964	570,341	611,623	The State Department Managed Care's new "Timely Access to Healthcare" requires that physical and occupational therapy provide services within 15 days beginning 1/17/11. Currently PT has an outpatient waiting list of 110 days and Occupational Therapy of 258 days due to increased demand. Additionally there is a need for additional coverage for Inpatient services and in the Behavioral Health Center.
LHH	D5	LHH Facility Licensing Requirements		464,750	-	464,750	To meet the state and federal regulatory and licensing requirements, Laguna Honda Hospital seeks funding to pay for on-going maintenance services for the new facility's infrastructural systems and new medical equipment.
TOTAL REGULATORY			14.52	2,525,912	570,341	1,955,571	
CUMULATIVE TOTAL			93.28	75,041,159	110,834,787	(35,793,628)	
EMERGING NEEDS / STRUCTURAL							
LHH	E1	LHH New Facility Needs	18.50	782,829		782,829	Laguna Honda Hospital occupied the new state of the art, 550,000 sq. ft. hospital in December 2010. This change was not just a physical one, but one that affected all aspects of their operations and requires additional resources to maintain. This initiative addresses staffing requirements caused by the new facility and infrastructure changes, and the support needed for new technologies on Information Systems.
HUH	E2	DAH Support Services Staff	4.31	394,261	152,672	241,589	In FY10-11, the staff providing DAH support services was moved from a community based organization (Baker) to HUH civil service positions funded with grant funding to achieve budget savings. The SAMHSA grant that supported these positions will expire in FY11-12.
	E3	Community Placement					Removed from the base budget balancing plan.
DPH	E4	DPH Clinical Systems		1,504,076		1,504,076	The Department of Public Health's Information Technology Services manages all the department's clinical information systems and related network infrastructure. Included in the cost of maintaining these clinical systems are contractual agreements with; Siemens (Invision) for hospital inpatient and hospital and community outpatient services; Netsmart (Avatar) for behavioral health inpatient and outpatient services; and Dataway for software maintenance to support the departments Wide Area Network (WAN) infrastructure. Additionally the Department of Public Health participates in the San Francisco Health Data Exchange (SFHEX) to support eligibility processes. This proposal requests augmentation funding to the base budget to cover the FY1112 projected expenses for these contractual agreements.

7.12

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
DPH	E5	Healthy San Francisco Augmentations		1,104,889		1,104,889	The Healthy San Francisco Program (HSF) improves care to uninsured adult residents through a coordinated delivery system comprised of public, non-profit and private providers. In mid 2010-11, the Department expanded the network to include two additional providers. Additional expenditures are needed in 2011-12 to annualize these costs. Other new and/or increased costs include: Specialty Services, One-e-App web-based eligibility and enrollment system, reconfigure the Department's Eligibility and Enrollment Unit to accommodate applicant volume and new program materials for LHIP/SF PATH and other program activities.
CBHS	E6	San Francisco Mental Health Plan PPN (Private Provider Network) Manager	0.77				Under the San Francisco Mental Health Plan (SFMHP) CBHS is responsible for authorization and payment of all specialty mental health services for all MediCal beneficiaries in the county, including reimbursement of private providers. With increasing and more stringent and complex State and Federal compliance requirements, infrastructure needs to manage the network have emerged. The addition of a Health Program Planner II would broaden the scope of administrative and clinical support within the SFMHP, PPN.
	EX						
		TOTAL EMERGING NEEDS / STRUCTURAL	23.58	3,786,055	152,672	3,633,383	
		CUMULATIVE TOTAL	116.86	78,827,214	110,987,459	(32,160,245)	
		REDUCTIONS					
CBHS	F1	FY10-11 CBHS Program Closures	0.77	(510,760)		(510,760)	In FY10-11, two CBHS community based agencies closed: the Haight Ashbury Free Clinic Smith-Ryan Women's Detox and the Positive Directions Equals Change (PD=C) substance abuse program closed. As allowable by the Administrative Code as of FY10-11, the Department is electing to create a new civil service position (1.0 2930) by approval of the Director of DHR in FY10-11 to ensure that substance abuse services previously provided by PD=C are continued to residents of the Bayview neighborhood. These services will be provided at the SouthEast Health Center. The net savings after budgeting this civil service position is \$510,742
CBHS	F2	One-Time Savings- Redwood Center		(800,000)		(800,000)	This facility is currently being renovated. Therefore, the Department will obtain one-time savings in FY11-12 for the operating and service provision costs allocated for this residential treatment program until it opens in FY12-13.
DPH	F3	Community Programs- Agency and Civil Service Reductions	(10.00)	(5,550,000)		(5,550,000)	Community Programs will achieve \$5.55M in savings through reductions of clinicians in civil service clinics as well reductions of unmatched general fund dollars allocated to community based organizations. The Department will begin working with affected agencies to identify and quantify program and client impact.
PH-HUH	F4	Relocation of Clients to Accessible Permanent Housing	(2.00)	(1,074,054)		(1,074,054)	The proposed initiative would reduce funding for 70 of the existing 266 stabilization housing units, and all of the 55 permanent supportive units at the Star Hotel, and replace these with 125 units in newly developed supportive housing sites for chronically homeless clients with special needs. These new sites meet accessibility requirements and would accommodate clients with accessibility issues, including those who are wheelchair bound.
CBHS	F5	Across-the-Board Residential Treatment Reductions		(3,450,000)		(3,450,000)	A 9.7% across the board reduction of CBHS residential treatment services effective October 1, 2011. The reduction translates to approximately 22,471 fewer bed days or 62 fewer bed slots.

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Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
CBHS	F6	Outsource Security at SFGH and LHH	(71.00)	(2,976,312)		(2,976,312)	In response to impending citywide budget deficits, DPH and the SFSD are exploring more economical options for providing security for SFGH and LHH while maintaining the current Institutional Police presence in the Community Program Clinics. Replacement of the workorder and civil service resources with a contract for private security (effective November 1, 2011) for SFGH and LHH will save \$2,976,312 in general fund in FY1112 and \$6,321,934 annually.
	FX						
TOTAL REDUCTIONS			(82.23)	(14,361,126)	-	(14,361,126)	
TOTAL ALL PROPOSED INITIATIVES			34.63	64,466,088	110,987,459	(46,521,371)	
10% Base Budget GF Reduction Target of \$24.6M + 10% Contingency target of \$34.8M = \$59.4M						(59,400,000)	
				10% Contingency target remaining		12,878,629	

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2011-2012 Program Change Request

DEPARTMENT NAME:

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

DPH SECTION: San Francisco General Hospital
 PROGRAM CONTACT NAME/PHONE: Valerie Inouye, 206-3599
 PROGRAM / INITIATIVE TITLE: UCSF Faculty Increases
 GENERAL FUND: \$810,277

TARGETED CLIENTS: N/A

PROGRAM DESCRIPTION: (Description of Program Change)

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

This request is to fund the UCSF faculty mandatory pay increases based on years of service.

JUSTIFICATION: (required by the Mayor's Office)

The UCSF faculty receive salary and wage increases for merits, promotions and salary range adjustments, consistent with University-wide standards. These are mandatory increases. The UCSF Affiliation Agreement outlines the payment methodology to be followed when establishing the Affiliation Agreement budget each year. Specifically, Section VI.B.2.b.(i) specifies that the budget shall be amended to reflect the salary and wage cost adjustments noted above.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

If the salary and wage increases are not funded, there would most likely be a reduction in services which San Francisco General Hospital would need to cover in another way. It is not possible to determine the impact upon clients and units of service until the actual service reductions are determined through negotiations with UCSF and SFGH administration.

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

Expenses will increase by \$810,277 the first year and ongoing.

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

If a reduction in UCSF services is necessary, there may be some impact on City and County FTE's.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: UCSF Faculty Increases

	FY 2011-12	Ongoing/Annualized
Sources:	\$ -	\$ -
Subtotal Sources	-	-
Uses:		
Operating Expenses	\$ 810,227	\$ 810,227
Subtotal Uses	810,227	810,227
Net General Fund Subsidy Required (Uses less Sources)	\$ 810,227	\$ 810,227
Total FTE's	0.00	0.00

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

Class	Title	FTE's
		-
	Fringe (48.6%)	-
		\$ -
Operating Expenses		
Index Code	Character/Subobject Code	
HGH1HUN40061	021/02700 Professional Services (UC Main Affiliation)	\$ 810,227

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

2011-2012 Program Change Request

DEPARTMENT NAME:

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

DPH SECTION: Community Behavioral Health Services

PROGRAM CONTACT NAME/PHONE: Michelle Ruggels 255-3404

PROGRAM / INITIATIVE TITLE: **Community Programs-Agency and Civil Service Reductions**

GENERAL FUND: **(\$5,550,000)**

TARGETED CLIENTS: Clients served in Community Programs

PROGRAM DESCRIPTION:

Community Programs will achieve savings in the amount of \$5,550,000 through across-the-board reductions of clinicians in adult Community Behavioral Health Services (CBHS), as well as across-the-board reductions of unmatched General Fund dollars allocated to community based organizations. Agencies impacted by the reduction of unmatched General Fund monies will have the option to administer the cuts to direct services, and may, if needed increase the direct service reduction beyond the required amount, and redirect those additional savings back into the agency's infrastructure to support its operational stability.

The proposed reductions are as follows:

CBHS Civil Service Adult Clinics (\$1,169,968)

There are 13 CBHS clinics serving 20,597 unduplicated adults (FY0910). The proposed reduction would delete 12.0 FTE 2930 Psychiatric Social Worker/2931 Marriage Family Therapist positions, both filled and unfilled, to achieve the proposed budget target. The reductions will be spread across the clinics, as evenly as possible, but taking into account existing staffing shortages due to variety of causes and the impact to the clinic's ability to absorb the clients among the remaining clinicians.

Housing and Urban Health (HUH) (\$207,487)

This reduction will be achieved through a 15.5% across-the board reduction to HUH contractual services funded with unmatched General Fund monies. Rent and operating subsidies are held harmless from the proposed reduction as they are fixed costs. The reduction in General Fund represents an overall 1% decrease to total HUH contractual services budget.

Proposed Modalities Impacted by FY1112 Non Matched GF Reduction

Housing Modality	FY1011 Funding	Unmatched GF Reduction	Total Revised Funding
Medical Case Management	657,248	647	656,601
Housing Subsidies	9,615,925	16,533	9,599,392
Outpatient	254,921	39,396	215,525
Residential	3,166,265	92,439	3,073,826
Supportive Services	4,809,369	58,472	4,750,897
Total	18,503,728	207,487	18,296,241

Community Behavioral Health Services (\$4,172,546)

CBHS will reduce \$3.9m by implementing a 16.5% reduction to unmatched General Fund dollars, or 2 percent of total contractual funding across most community based organizations. Services held harmless from the proposed reduction include Medical Detox, private Inpatient hospital contracts, Long Term Care and Residential Care Facility funding (currently in deficit), Pharmaceuticals, Children Services, medication support services, as well as services supported by both MediCal and a General Fund match.

Proposed Modalities Impacted by FY1112 Non Matched GF Reduction

Modality	FY10-11 Total Funding	Unmatched General Fund Reduction	Total Revised Available Funding
Outpatient	39,246,927	1,990,717	37,256,210
Methadone	12,981,961	748,004	12,233,957
Supportive Housing	6,245,395	384,904	5,860,491
Detox	2,570,189	370,750	2,199,439
Prevention	5,471,432	321,829	5,149,603
Vocational Services	2,983,240	191,673	2,791,567
Training	1,249,813	59,463	1,190,350
MH Clients Rights Advocacy	377,149	58,285	318,864
Emergency Crisis	1,333,992	46,921	1,287,071
Grand Total	72,460,098	4,172,546	68,287,552

JUSTIFICATION: (required by the Mayor's Office)

The proposed reductions are implemented to address the City's severe budget shortfall. Across-the-board reductions have the least overall impact and allow the Department to maintain the existing continuum of care with a basic level of services for specific high-need target populations to the greatest extent possible. However, at this level of reduction, some agencies, particularly those that have a high ratio of unmatched General Fund, may have to reduce entire programs to meet their targets, as many agencies have received some reductions over the past three years. The Department will work with its contractors to determine the most suitable plan to minimize the reduction in unduplicated clients served, but at the same time keep administrative infrastructures intact.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The sections will be working with the affected agencies to identify which of their programs will be impacted by the funding reductions. Therefore, the full impact to current clients as a result of the proposed reductions will not be known until DPH has had an opportunity to meet with each agency.

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

General Fund savings of \$5,550,000 is achieved through a reduction of \$1,169,968 in Salaries and Benefits and \$4,380,032 in professional services.

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

Reduction of 10.0 FTE 2930 Psychiatric Social Workers in FY11-12 annualized to 12.0 FTE in FY 12-13

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Community Programs - Agency and Civil Service Reductions

		FY 2011-12	Ongoing (12 months)
Sources:	General Fund		
Subtotal Sources		-	-
Uses:	Salaries and Fringes	\$ (1,169,968)	\$ (1,401,851)
	027 Professional Services	(4,380,032)	(4,380,032)
Subtotal Uses		(5,550,000)	(5,781,883)
Net General Fund Subsidy Required (Uses less Sources)		\$ (5,550,000)	\$ (5,781,883)
Total FTE's		(10.00)	(12.00)

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

Class	Title	FY10-11 FTE	FY11-12 Savings
2930/2931	Psychiatric Social Worker	(10.00)	(827,109)
		<u>(10.00)</u>	<u>(827,109)</u>
	Fringe (41%)		(342,859)
	subtotal:	(10.00)	\$ (1,169,968)

Operating Expenses

Index Code	Character/Subobject Code	
Operating Expenses		
HMHMCC730515	CH21/02700 Professional Services	\$ (1,909,608)
HMHSCCRES227	CH21/02700 Professional Services	\$ (2,262,937)
HCHSHHOUSGGF	CH21/02700 Professional Services	\$ (207,487)
		<u>\$ (4,380,032)</u>
Total		<u><u>\$ (5,550,000)</u></u>

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2011-2012 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: **Housing and Urban Health**

PROGRAM CONTACT NAME/PHONE: Margot Antonetty, 554-2642

PROGRAM / INITIATIVE TITLE: **Relocation of Clients to Accessible Permanent Housing**

GENERAL FUND: **(\$1,074,055)**

TARGETED CLIENTS: Chronically homeless adults with special needs

PROGRAM DESCRIPTION: (Description of Program Change)

The Department's Housing and Urban Health (HUH) section currently funds; 1) 266 Single Room Occupancy (SRO) units in privately owned hotels for chronically homeless adults with special needs with the goal of transitioning them into more permanent housing (\$1,916,400) and 2) 55 permanent supportive housing units at the Star Hotel for chronically homeless adults with special needs as part of the Direct Access to Housing (DAH) program (\$1,256,766). This master-leased SRO Hotel does not have an elevator or private bathrooms, and its lease will expire in June, 2011.

The proposed initiative would reduce funding for 70 of the existing 266 stabilization housing units, and all of the 55 permanent supportive units at the Star Hotel, and replace these with 125 units in newly developed supportive housing sites for chronically homeless clients with special needs. These new sites meet accessibility requirements and would accommodate clients with accessibility issues, including those who are wheelchair bound.

The shifting of funds for 70 units would reduce the fiscal intermediary contract with Asian American Recovery Services (AARS) by \$504,316 annually (\$286,211 in FY11-12). Additionally, the shifting of funds would reduce the annual contract with Tides Center - DISH Property Management by \$764,264 annually (\$509,509 in FY11-12) and eliminate \$436,344/year for the master-lease, expiring in June 2011 (\$290,896 in FY11-12). Additionally, the Housing and Urban Health support services team funding would decrease by \$247,158 annually (\$164,771 in FY11-12).

The Stabilization clients and the clients housed at the Star Hotel would be given the opportunity to move to the new sites, or other more accessible units in the DAH portfolio.

JUSTIFICATION: (required by the Mayor's Office)

Starting FY11-12, 175 units meeting accessibility requirements will open in 2 newly developed supportive housing sites for chronically homeless clients with special needs. The reallocation of funds from 125 SRO units to 125 of these new permanent housing units will substantially improve the quality of housing offered to DPH clients, and at the same time allow DPH to achieve savings.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

Up to 55 DAH and 70 Stabilization Program clients would transition from SRO units to new permanent supportive units in the DAH portfolio. There would be no decrease in the level of existing units.

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

Reduction of \$1,074,055 in both professional services and civil service positions.

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

Housing and Urban Health's support services team by decrease 2.00 FTE in FY11-12 annualizing to 3.0 FTE in FY12-13.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Relocation of Clients to Accessible Permanent Housing

		FY 2011-12	Ongoing
Sources:		\$ -	\$ -
Subtotal Sources		-	-
Uses:	Personnel	\$ (164,772)	(247,158)
	Contractual Services	\$ (618,387)	(1,077,580)
	Rent and Leases	\$ (290,896)	(436,344)
Subtotal Uses		(1,074,055)	(1,761,082)
Net General Fund Subsidy Required (Uses less Sources)		\$ (1,074,055)	\$ (1,761,082)
Total FTE's		2.00	3.00

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

Class	Title	FTE's	FY 11-12
2931	MFT Counselor	(0.67)	\$ (51,809)
2585	Health Worker I	(0.67)	\$ (30,524)
2585	Health Worker I	(0.67)	\$ (30,524)
		(2.00)	(112,857)
Fringe (46%)			(51,915)
Index Code	HMHMHOUSINGF		\$ (164,772)

Operating Expenses

Index Code	Character/Subobject Code	
HCHSHHOUSGGF	021/02700	\$ (618,387)
HCHSHHOUSGGF	021/03100	\$ (290,896)

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

2011-2012 Program Change Request

DEPARTMENT NAME:

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

DPH SECTION: Community Behavioral Health Services – Substance Abuse
 PROGRAM CONTACT NAME/PHONE: **Jo Robinson 255-3440**
 PROGRAM / INITIATIVE TITLE: **Across-the-Board Residential Treatment Reduction**
 GENERAL FUND: **(\$3,450,000)**

TARGETED CLIENTS: Clients in Residential Treatment.

PROGRAM DESCRIPTION: (Description of Program Change)

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

Community Behavioral Health Services (CBHS) funds 634 residential treatment beds for a total of \$35,523,275 ranging from shorter term beds within acute diversion units to longer term beds. This funding supports 231,410 total beds days annually, with the median contract rate in mental health programs at \$154 per day, and in substance abuse programs at \$114 per day. CBHS residential treatment programs are all operated by community-based-organizations.

The proposed initiative would implement a 9.7% across the board residential treatment services reduction effective October 1, 2011. This would generate \$3,450,000 in savings. This reduction translates to approximately 22,471 fewer bed days, or 62 lost beds. Due to the magnitude of the reduction, it is possible that these savings could not be achieved without closing entire programs, as there are many fixed costs in residential treatment programs that can not be reduced even with fewer programmed beds. Additionally, for the same reasons, an across-the-board cut may not be administered in the same percentage across all programs, with the impact to programs serving women and their children being of special concern. However, until the Department is advised of the final amount that will be required from DPH to meet the City’s budget deficit, it will be unclear how the subject proposal will be implemented. Finally, also based on the final amount and methodology, the proposed reduction could increase to the degree that slots which receive some MediCal reimbursement are impacted. In those cases, both the General Fund and the associated matching MediCal revenues would be lost, and the impact would increase.

JUSTIFICATION: (required by the Mayor’s Office)

To meet the City’s deficit, the Department is required to provide proposals that would help achieve savings. As there is a smaller percentage of clients utilizing residential treatment beds, the impact of the closure of these beds would impact fewer clients than in outpatient programs, where the majority of the CBHS clients are seen.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The final impact will be determined once the methodology for implementation has been determined, i.e. across-the-board, or program by program closures. Based on a straight percentage, there would be 22,471 fewer bed days available and approximately 62 fewer bed slots.

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

Reduction of \$3,450,000 to Professional Services. At this time, the impact to revenues is unknown.

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

None

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Residential Treatment Reduction

		FY 2011-12	Ongoing (12 months)
Sources:	General Fund		
Subtotal Sources		-	-
Uses:	027 Professional Services	\$ (3,450,000)	\$ (4,140,000)
Subtotal Uses		(3,450,000)	(4,140,000)
Net General Fund Subsidy Required (Uses less Sources)		\$ (3,450,000)	\$ (4,140,000)
Total FTE's			

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

Class Title

Operating Expenses

Index Code	Character/Subobject Code	
HMHMCC730515	CH21/02700 Professional Services	\$ (3,450,000)
HMHSCCRES227		

Total

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

2011-2012 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: San Francisco General Hospital, Laguna Honda Hospital

PROGRAM CONTACT NAME/PHONE: Gregg Sass 554-2610

PROGRAM / INITIATIVE TITLE: **Outsource Security Services at SFGH and LHH**

GENERAL FUND: **(\$2,976,312)**

TARGETED CLIENTS: N/A

PROGRAM DESCRIPTION: (Description of Program Change)

Eliminate Sheriff work order and civil service resources and replace with a contract for private security services at San Francisco General Hospital (SFGH) and Laguna Honda Hospital (LHH).

JUSTIFICATION: (required by the Mayor's Office)

The Department of Public Health (DPH) currently utilizes the Sheriff's Dept for security services. In the FY1011 Budget, the Department proposed a Prop J for outsourcing all security services at SFGH, LHH, 101 Grove and Community Program clinics. The cost of the workorder with the sheriff was increasingly costly due to staffing shortages that must be backfilled with overtime. The Dept was allocated resources to develop a DPH managed civil service security workforce in this fiscal year. Subsequent analysis of the costs of developing a DPH managed civil service security workforce indicate that the resources allocated are not sufficient to cover planning, development, and recruiting (background checks) for a DPH managed civil service workforce. Nor was funding included to cover scheduled and unscheduled time off. In response to impending citywide budget deficits, DPH and the SFSD are exploring more economical options for providing security for SFGH and LHH while maintaining the current Institutional Police presence at 101 Grove and in the Community Program clinics. Replacement of the workorder and civil service resources with a contract for private security for SFGH and LHH will save \$6,321,934 annually in general fund at DPH and would result in no layoffs. Institutional police currently employed by the Sheriff would return to DPH to provide security to our clinics and other properties.

Given the severe budget deficit the department faces, this is an initiative that will allow DPH to maintain critical health care services and security needs while reducing costs.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

None

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

Effective November 1, 2011, decrease operating expenses by \$2,976,312 in FY1112 and \$6,321,934 ongoing. There is no anticipated impact on revenue. In addition, this initiative will reduce overtime cost in the jails as the SFSD re-deploy staff formerly assigned to SFGH to other posts and reduce general fund costs in the jails. These savings would be realized by the Sheriff's department.

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

71 vacant FTE's would be deleted from the DPH Budget; staffing changes may occur at the Sheriff's Department.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Outsourcing Security

	FY 2011-12	FY12-13 (ongoing)
Sources:	\$ -	\$ -
Subtotal Sources	-	-
Uses:		
Salaries and Fringes	\$ (5,246,902)	\$ (5,246,902)
Sheriff's Workorder	289,520	(4,046,636)
Contract Services	1,981,069	2,971,604
Subtotal Uses	(2,976,312)	(6,321,934)
Net General Fund Subsidy Required (savings)/cost (Uses less Sources)	\$ (2,976,312)	\$ (6,321,934)
Total FTE's	0.0	0.0

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

Class	Title	FTE's		
1705	Dispatch	(3.00)	\$	(176,060)
8202	Security Guard	(52.00)	\$	(2,393,659)
8205	Institutional Police Sergeant	(4.00)	\$	(417,920)
8211	Supervising Building and Grounds Patrol	(12.00)	\$	(722,143)
9993M	Attrition		\$	254,780
HOLM	Holiday Pay		\$	(57,844)
PREMM	Premium Pay		\$	(158,101)
		(71.00)		(3,494,887)
Fringe	50.13%			(1,752,015)
			\$	(5,246,902)

Operating Expenses

subobject	Character/Subobject Code			
081SH	Sheriff's Workorder	-	\$	289,520
02700	Professional Services		\$	1,981,069

DPH Budget Reductions FY0809 - FY1011
(includes mid year reductions)

FY	Program Change	Community Program CBO reductions	Civil Service Program Reductions	FTE	Civil Service Admin Reductions	FTE	Total Reductions	Total FTE
FY0809	Worker's Comp. Clinic Closure		(736,453)	(8.12)			(736,453)	(8.12)
FY0809	OR Reduced time		(526,380)	(5.00)			(526,380)	(5.00)
FY0809	CBHC Clinic Director Consolidate		(1,193,175)	(8.00)			(1,193,175)	(8.00)
FY0809	Senior Disaster Registry		(108,283)	(1.00)			(108,283)	(1.00)
FY0809	Healthy Kids to HSF		(1,834,822)				(1,834,822)	0.00
FY0809	Clarendon Hall Closure		(2,300,000)	(135.20)			(2,300,000)	(135.20)
FY0809	Transfer of STD testing to PH Lab		(28,341)				(28,341)	0.00
FY0809	Shape Up SF		(89,851)	(1.00)			(89,851)	(1.00)
FY0809	Job training and outreach for Youth	(80,000)					(80,000)	0.00
FY0809	Roads to Recovery Release Program	(133,000)					(133,000)	0.00
FY0809	Oral Surgery Clinic Reductions		(420,724)	(3.80)			(420,724)	(3.80)
FY0809	Elimination of Chronic Care Public Health Nursing		(2,166,295)	(20.09)			(2,166,295)	(20.09)
FY0809	Buster's Place	(1,000,000)					(1,000,000)	0.00
FY0809	Reduce LHH Beds from 935 to 780		(3,516,048)	(173.30)			(3,516,048)	(173.30)
FY0809	Residential Treatment for Paralyzed gunshot Victims	(150,000)					(150,000)	0.00
FY0809	Reduce Bayview Health Initiative	(100,000)					(100,000)	0.00
FY0809	Reduction of Health at Home Program		(300,000)				(300,000)	0.00
FY0809	Overall Reduction in CBHS Community Programs	(1,590,209)	(467,647)	(5.23)			(2,057,856)	(5.23)
FY0809	Administrative and Operating Reductions				(1,388,426)	(11.40)	(1,388,426)	(11.40)
FY0809	Reduction of Vacant Positions				(1,941,685)	(21.56)	(1,941,685)	(21.56)
FY0809	Bridge to Wellnes	(193,620)					(193,620)	0.00
FY0809	Budget Analyst Cuts				(979,163)		(979,163)	0.00
FY0809	Reorg of Finance Staffing				(40,930)	(0.80)	(40,930)	(0.80)
FY0809	LHH Bed Reduction Acceleration				(283,049)	(9.00)	(283,049)	(9.00)
FY0809	Elimination of admin and operating positions				(2,577,959)	(23.60)	(2,577,959)	(23.60)
FY0809	Deptwide Attrition				(3,838,698)	(42.65)	(3,838,698)	(42.65)
FY0809	Jail Health Services Reductions				(531,435)	(3.55)	(531,435)	(3.55)
FY0809	LHH Reduce Clinical Psychologist and Sr Physicians				(649,205)	(2.98)	(649,205)	(2.98)
		(3,246,829) 11.13%	(13,688,019) 46.93%	(360.74)	(12,230,550) 41.94%	(112.56)	(29,165,398)	(473.30)

DPH Budget Reductions FY0809 - FY1011

(includes mid year reductions)

FY	Program Change	Community Program CBO reductions	Civil Service Program Reductions	FTE	Civil Service Admin Reductions	FTE	Total	Total FTE
FY0910 Annualized	0809 MY CBHS Contract cuts	(9,331,796)					(9,331,796)	0.00
FY0910 Annualized	0809 MY BH Outpatient Reduction	(536,365)					(536,365)	0.00
FY0910 Annualized	0809 MY Community Health Outreach	(1,263,860)					(1,263,860)	0.00
FY0910 Annualized	0809 MY Restructure TRC/RTC/CASARC		(671,692)	(2.70)			(671,692)	(2.70)
FY0910 Annualized	0809 MY CRT/SFGH Emergency Housing	(364,042)					(364,042)	0.00
FY0910 Annualized	0809 MY BVHIPO ADHC	(40,000)					(40,000)	0.00
FY0910 Annualized	0809 MY COPC CBO Reductions	(492,914)					(492,914)	0.00
FY0910 Annualized	0809 MY Convert_CNA's to PCA's		(654,023)				(654,023)	0.00
FY0910 Annualized	0809 MY Management Reductions		(600,000)				(600,000)	0.00
FY0910 Annualized	0809 MY Eliminate Vacant Positions		(1,920,000)	(24.00)			(1,920,000)	(24.00)
FY0910 Annualized	0809 MY LHH Adult Day Healthcare		(374,317)	(14.10)			(374,317)	(14.10)
FY0910 Annualized	0809 MY Jail Health		(324,656)	(2.00)			(324,656)	(2.00)
FY0910 Annualized	0809 MY 5% Cuts UC Affiliation Agreement		(471,024)	(6.00)	(2,663,087)		(2,663,087)	0.00
FY0910 Annualized	0809 MY SFGH Medical High Utilizer						(471,024)	(6.00)
FY0910 Annualized	0809 MY Housing Cuts	(654,530)					(654,530)	0.00
FY0910 Annualized	0809 MY 5% Reduction to CBHS Civil Service		(923,596)	(18.40)			(923,596)	(18.40)
FY0910 Annualized	0809 MY Convert Unit Clerks		(572,949)				(572,949)	0.00
FY0910 Annualized	0809 MY Convert RN's to MEA's		(2,448,093)	(1.50)			(2,448,093)	(1.50)
FY0910 Annualized	0809 MY Inpatient LVN Reductions		(1,257,517)	(14.60)			(1,257,517)	(14.60)
FY0910 Annualized	0809 MY Clinic Co Location		(293,005)				(293,005)	0.00
FY0910 Annualized	0809 MY Reduce Health Educators		(886,970)	(7.90)			(886,970)	(7.90)
FY0910 Annualized	0809 MY Reduce CCS Services						0	0.00
FY0910	Conversion of Acute Care Psych Unit		(1,423,077)	(11.00)			(1,423,077)	(11.00)
FY0910	Reduction of UC Affiliation Agreement		(1,542,678)				(1,542,678)	0.00
FY0910	30% Reduction to Health at Home		(970,852)	(7.23)			(970,852)	(7.23)
FY0910	Consolidate Disease Control Program		(832,503)	(6.57)			(832,503)	(6.57)
FY0910	HIV Health Services Reduction		(119,674)	(1.00)			(430,617)	(1.00)
FY0910	Jail Health Services Reduction	(310,943)					(168,350)	(1.00)
FY0910	Reduction to CBHS Civil Service Staff		(671,675)	(12.24)			(671,675)	(12.24)
FY0910	Administrative Position Reductions				(1,699,421)	(4.38)	(1,699,421)	(4.38)
FY0910	Community Programs Business Office				(546,673)	(4.00)	(546,673)	(4.00)
FY0910	Behavior Health Contractor Reductions						(454,170)	0.00
FY0910	Nursing Skill Mix Changes		(281,705)				(281,705)	0.00
FY0910	Cancer Health Education Reduction		(98,806)	(1.00)			(98,806)	(1.00)
FY0910	Reorg of SPY (Youth Guidance Center)		(746,016)	(4.10)			(746,016)	(4.10)

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DPH Budget Reductions FY0809 - FY1011

(includes mid year reductions)

	(450,000)	(289,049) (155,778)	(1,872,241) (18.50)	(450,000) (289,049) (155,778) (69,140) (600,000) (66,667)	0.00 (2.30) (0.80) 0.00 0.00 (18.50) 0.00 0.00 0.00 0.00 0.00
FY0910 Reduction of 100 stabilization beds					
FY0910 HIV Prevention Reduction		(289,049)			
FY0910 Civil Service Reductions in Health Promotion		(155,778)			
FY0910 HIV Outreach and Testing Reductions	(69,140)				
FY0910 Vocational Services	(600,000)				
FY0910 Position Reductions (filled and vacant)			(18.50)		
FY0910 Reprogramming MAP (mobile asst patrol)	(66,667)				
FY0910 Jail Health Services Reduction				(400,000)	
FY0910 Increased Attrition Savings				(8,311,575)	
FY0910 Budget Analyst Reductions				(1,132,885)	
FY0910 IT Reductions				(723,388)	
FY0910 Additional Salary Reductions / Hiring Freeze				(1,008,659)	
	(14,634,427)	(18,698,005)	(18,357,929)	(51,690,361)	(74.12)
	28.31%	36.17%	35.52%		

FY	Program Change	Community Program CBO reductions	Civil Service Program Reductions	FTE	Civil Service Admin Reductions	FTE	Total	Total FTE
FY1011 Annualized	0910 MY LHH Medical Staffing Consolidation				(150,085)	(0.55)	(150,085)	(0.55)
FY1011 Annualized	0910 MY Non Acute Medical Surgical Unit				(1,460,109)	(7.20)	(1,460,109)	(7.20)
FY1011	Outsource Security Services / Civil Service		(1,607,566)	(14.20)	(2,150,000)		(2,150,000)	0.00
FY1011	Non Acute Psych Unit				(1,066,536)		(1,607,566)	(14.20)
FY1011	Siemens Contract Savings				(1,000,000)		(1,066,536)	0.00
FY1011	Reduction in standby by pay						(1,000,000)	0.00
FY1011	Reductions to CBHS	(981,628)					(981,628)	0.00
FY1011	Integration of PC and CBHS		(1,722,429)	(10.77)	0		(1,722,429)	(10.77)
FY1011	Closure of Ark House	(434,738)					(434,738)	0.00
FY1011	Budget Analyst Reductions				(337,997)		(337,997)	0.00
FY1011	Citywide DPH share of attrition adjustments				(1,407,726)		(1,407,726)	0.00
FY1011	Citywide IT reductions				(440,631)		(440,631)	0.00
FY1011	Jail Health Services	(300,000)					(1,700,000)	0.00
	Additional BOS addbacks	511,000			0	0.00	511,000	(24.97)
		(1,716,366)	(4,729,995)	(24.97)	(8,013,084)	(7.75)	(13,948,445)	(57.69)
		12.31%	33.91%		57.45%			
		(19,597,622)	(37,116,019)		(38,601,563)		(94,804,204)	
		20.67%	39.15%		40.72%			
					79.87%			

7.29