

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

Introduction

We are returning with the base budget reduction plan submitted on March 1. Several revisions have been made to the plan submitted at the last meeting. These revisions have the effect of reducing spending thereby increasing General Fund savings and also reducing growth in the number of FTEs. Following is a summary of our plan as of March 1 and March 15:

	March 1	Revisions	March 15
Revenue Increases	\$ 43,121,920	\$3,003,705	\$ 46,125,625
Revenue Neutral	20,844	-	20,844
Inflationary	(9,897,220)	-	(9,897,220)
Regulatory	(1,955,571)	-	(1,955,571)
Emerging Needs	(5,533,383)	1,900,000	(3,633,383)
Reductions	<u>1,310,760</u>	<u>-</u>	<u>1,310,760</u>
General Fund Reduction	<u>\$27,067,350</u>	\$4,903,705	\$31,971,055
General Fund Base Reduction Target	<u>24,600,000</u>	=	<u>24,600,000</u>
Difference	<u>\$2,467,350</u>	<u>\$4,903,705</u>	<u>\$7,371,055</u>
FTEs	<u>143.96</u>	<u>(26.33)</u>	<u>117.63</u>

Of the 117.63 FTEs in the base budget, 79 are associated with revenue measures to meet related milestones and revenue neutral measures that do not impact General Fund.

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

Increased Revenue

We have reduced the costs associated with the Delivery System Reform Incentive Pool (DSRIP) based on an expectation that positions would only be in place for an average six-month period instead of a nine-month period. This decreased the costs projected to address DSRIP milestones and thereby increased the net contribution from the Medi-Cal 1115 waiver by \$3,030,705. This also reduced the FTE count by 25.43, from 74.64 to 49.21. We have also reduced the position count associated with the initiative to achieve meaningful use of electronic medical records by 2.44, from 16.40 to 13.96, substituting contract services for certain components of implementation support. Finally, we made a small adjustment to baseline revenues for environmental health for a net change of \$27,000.

	March 1	March 15	Net Change
Environmental Health- EH (A2)	\$27,000	\$0	\$(27,000)
Delivery System Reform Incentive Pool (DSRIP)– SFGH (A4)	16,493,211	19,523,916	3,030,705
EHR Incentive Program (Meaningful Use of electronic records) - SFGH (A6)	<u>1,060,037</u>	<u>1,060,037</u>	<u>0</u>
Total Revenues	\$ 64,444,330	\$ 107,566,250	\$3,003,705

Revenue Neutral

We made two changes to revenue neutral initiatives for a net increase of 0.77 FTEs. There was no net effect on General Fund.

	Expenditure	Revenue	General Fund
Revised item for Mental Health Services Act; Community Health Programs for Youth (CHPY) – CBHS (C12)	\$364,628	\$364,628	\$0
Eliminated item for MCH Field Nurses – PH (C14)	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue Neutral	<u>\$ 364,628</u>	<u>\$364,628</u>	<u>\$0</u>

Emerging Needs

We removed a funding request for Community Placements, which is more in the nature of a structural shortage. We are not requesting funding for structural needs elsewhere. We also added a 0.77 FTE position to support management of the Private Provider Network.

Total Reductions – March 1	\$5,533,383
Eliminate additional finding for Community Program Placements (E3)	(1,900,000)
Include an additional 0.77 FTE position to support management of the Private Provider Network, with an offsetting reduction in contract services (E6)	<u>0</u>
Total Reductions –March 15	<u>\$3,633,382</u>

Conclusion

In addition to meeting the base budget target, we have made a \$7.4 million contribution to the contingency target of \$34.8 million. We will return to the Health Commission next month to report on our progress in closing the remaining \$27.4 million budget gap

A draft resolution approving the Department's budget submission has been provided for your consideration and approval.

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH						
FY 2011-12 PROPOSED BUDGET - March 1, 2011						
Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)
REVENUE						
3H	A1	SFGH Baseline Revenue		30,646,050	45,664,503	(15,018,453)
EHS	A2	Environmental Health		227,204	227,204	
LHH	A3	LHH Baseline Revenue		-	8,134,867	(8,134,867)
DPH	A4	California Medicaid Section 1115 Waiver (DSRIP)	49.21	20,414,939	39,938,855	(19,523,916)
DPH	A5	Low Income Health Program (LIHP)		1,309,648	3,698,000	(2,388,352)
GH	A6	Electronic Health Record Incentive Program (Meaningful Use)	13.96	8,842,958	9,902,995	(1,060,037)
	AX					
TOTAL REVENUE				63.17	107,566,424	(46,125,625)
INFLATIONARY						

Comment

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.

Baseline revenue adjustment with related cost increases for full cost recovery.

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.

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.

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.

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.

7.4

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
3H	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.
3H	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.
3H	B3	UCSF Faculty Increases		1,315,897		1,315,897	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.
3H	B4	UCSF Faculty AAMC and Market Adjustments		994,330		994,330	This will increase the salaries of the UCSF faculty in the departments of Anesthesia, Medicine and Psychiatry to bring the average SFH salaries closer to the AAMC median (50th percentile) and to market rates in the Bay Area.
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.

7.5

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 Community Placement Unit moves 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 \$469,302 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	9,897,220	-	9,897,220	
		CUMULATIVE TOTAL	63.17	71,338,019	107,566,424	(36,228,405)	
		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.

7.6

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (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 to 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.

7.7

Division	Item	Description	2011-12 FTE Change	2011-12 Expend Incr/(Decr)	2011-12 Revenues Incr/(Decr)	2011-12 Net GF Cost/ (Savings)	Comment
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	78.76	74,015,197	110,264,446	(36,249,249)	
		REGULATORY					
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.

7.8

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	76,541,109	110,834,787	(34,293,676)	
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	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.

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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
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 LHP/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	3,786,955	152,672	3,633,383	
GUMULATIVE TOTAL			116.86	80,327,164	110,987,459	(30,660,295)	
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.
	FX						
TOTAL REDUCTIONS			0.77	(1,310,760)	-	(1,310,760)	
TOTAL ALL PROPOSED INITIATIVES			117.63	79,016,404	110,987,459	(31,971,055)	
General Fund Reduction Target						(24,600,000)	
Amount Over/(Under) Target						7,371,055	

7.10

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

PROGRAM / INITIATIVE TITLE: **Environmental Health Baseline Revenue**

GENERAL FUND IMPACT: **(\$0)**

TARGETED CLIENTS: **PERMITTED SAN FRANCISCO BUSINESSES**

PROGRAM CONTACT NAME/PHONE: **Rajiv Bhatia 252-3931, Cyndy Comerford Scully 252-3989**

PROGRAM DESCRIPTION: (Description of Program Change)

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

The San Francisco Department of Public Health's Environmental Health Section strives to promote health and quality of life in San Francisco by ensuring healthy living and working conditions in the City and County of San Francisco. Projected revenues fluctuate annually due to various reasons, including change in inventory, new fees, changes in regulatory programs and fees. Below is a summary of each program and rationale for change in revenue. Expenditures are adjusted ensure that programs do not exceed 100% cost recovery and that there is not net impact on the General Fund.

Program	Index Code	FY 2001-11 Change	Revenue Description & Explanation of Change
Consumer Safety - Food Program	HCHPBFOOD-GF	\$ 81,248.31	The Food Program ensures compliance of local and state regulations with regards to retail food through education and enforcement, assures food provided for human consumption is wholesome, and is produced under safe and sanitary conditions. Trucks, carts, and other similar vehicles that sell "street food" are considered to be Mobile Food Facilities (MFF's) under the Municipal Code. City regulations relating to MFF's were the subject of a substantial overhaul under Ordinance Number 297-10, which took effect on January 2, 2011. These new fees will increase mobile food facility inspections and permits, thus will increase inspection fees and revenue.
Health Hazard Assessment Group (Formally) Site Assessment and Mitigation Program	HCHPBHAZWTGF	\$ 90,270.70	Part of the Health Hazard Assessment Group ensures the radio-frequency transmission is with regulated standards. The program performs planned based reviews pursuant to the provisions of Section 209.6(b), 227(h) and (i), and other relevant sections of the SF Planning Code - which is based on the Wireless Telecommunications Services (WTS) Facilities Siting Guidelines. These plan based reviews are anticipated to increase in FY11-12 and provide increased revenue.
Consumer Safety - Massage Program	HCHPBMASSAGF	\$ (87,999.38)	The Massage Licensing Program ensure that all facilities with massage services are clean, have licensed practitioners, and in sanitary condition. As of Sept 1, 2009, State Senate Bill 731 authorizes a nonprofit Massage Therapy Organization to provide certification for Massage Practitioners and Massage Therapists in CA. The San Francisco Health Department is phasing out licensing practitioners, but will still permit facilities. The revenue is reduced to reflect the alimентация of massage practitioner licenses and certification fee.
Medical Cannabis	HCHPBMEDCNGF	\$ 50,392.33	The Medical Cannabis Dispensary Program ensures all medical cannabis facilities are issued permits to operate and coordinate all necessary referrals to various City Departments. In Fiscal Year 11-12, under San Francisco Health Code, Article 28, there is anticipated to be six more permitted Medical Cannabis Dispensary facilities and five new applications for plan review. The inspections and permits will increase revenue.
Menu Labeling	HCHPBMENULBGF	\$ (102,885.00)	In 2008, the San Francisco Health Department amended the nutrition menu labeling regulation (Sections 468 through 468.8) in the San Francisco Health Code to require chain restaurants with 20 or more locations in California to disclose nutritional information about standard menu items. In July of 2009, the State of California passed the Nutritional Disclosure Requirements under Section 114094 of the California Health and Safety Code. In order to promote enforcement of Section 114094 of the California Health and Safety Code, the Board of Supervisors suspended Sections 468.3 through 468.8 of the SF Health Code. The suspension of this program eliminated the menu labeling fee for restaurants, thus reduced anticipated revenue.

Code Enforcement	HCHPBUBSVGF	\$ 125,898.00	The Code Enforcement Program resolves conditions that constitute environmental health hazards and could result in unhealthy environmental conditions and/or vector-born disease. A component of this project inspects garbage truck, recycle centers and transfer stations. Inventory from garbage truck inspections and transfer station was updated for FY11- 12 and resulted in an increase in inventory and subsequent revenue from inspection fees.
Consumer Safety - Tattoo	HCHPBTATTOO	\$ 14,501.00	The Tattoo Program is to ensure proper maintenance, cleanliness, sterilization procedures at tattoo, piercing, and permanent cosmetic facilities. Fee increases are based on fee schedule set forth in FY09-10 and reflect Article 5, Section 255 et al of the San Francisco Health Code.
Water Quality	HCHPBWATERGF	\$ 45,183.12	The Water Quality Program is to ensure safe water for drinking and recreational use. Part of the program certifies backflow prevention device testers and inspects facilities for cross-connections. Pursuant to the Business Tax & Regulation Code 2:249.14, the program issues cross connection device seals. Inventory from the SFPUC was updated and revenue is expected to increase in FY11-12.
Program on Health, Equity and Sustainability	HCHPBHIRU-GF	\$ 10,595.00	The Program on Health, Equity and Sustainability supports San Franciscans working together to advance urban health and social and environmental justice through ongoing integration of local government and community efforts and through valuing the needs, experiences, and knowledge of diverse San Francisco residents. New revenue will be a result of a new epidemiological and health impact assessment consulting and training fee.

JUSTIFICATION: (required by the Mayor's Office)

Changes in fees are due to changes in inventories and billable hours, new fees and additional reimbursements, and program changes due to state regulations. Expenditures are adjusted accordingly for workloads to ensure that programs do not exceed 100% cost recovery.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

N/A

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations)

\$227,204 increase in revenue and \$227,204 increase in expenditures.

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

N/A

ATTACHMENT B

SUMMARY OF PROGRAM COST

DEPARTMENT: SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH: ENVIRONMENTAL HEALTH

INITIATIVE TITLE: Environmental Health Baseline Revenue

	FY 2011-12	Ongoing/Annualized
Sources:		
HCHPBFOOD-GF	\$ 81,248	
HCHPBHAZWTGF	\$ 90,271	
HCHPBMASSAGF	\$ (87,999)	
HCHPBMEDCNGF	\$ 50,392	
HCHPBMENULBGF	\$ (102,885)	
HCHPBPUBSVGF	\$ 125,898	
HCHPBTATTOO	\$ 14,501	
HCHPBWATERGF	\$ 45,183	
HCHPBHIRU-GF	10,595	
Subtotal Sources	227,204	-
Uses:		
Rent/Office Space	\$ 90,000	
Parking	\$ 36,000	\$ -
Material & Supplies	\$ 54,573	-
Capital Equipment	46,631	-
Subtotal Uses	227,204	-
Net General Fund Subsidy Required (savings)/cost (Uses less Sources)	\$ (0)	\$ -
Total FTE's	0.0	0.0

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

Class	Title	FTE's
		-
		-
	Fringe (46.27%)	-
		\$ -

Operating Expenses

Index Code Character/Subobject Code

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

2	Compact Hybrid Electric/Gasoline cars	\$ 46,631
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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

PROGRAM CONTACT NAME/PHONE: Roland Pickens, 206-3528

PROGRAM / INITIATIVE TITLE: California Medicaid Section 1115 Waiver Bridge to Healthcare Reform – Delivery System Reform Incentive Pool (DSRIP)

GENERAL FUND IMPACT: (\$19,523,916)

TARGETED CLIENTS:

PROGRAM DESCRIPTION: (Description of Program Change)

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

In order to ensure SFDPH receives all of the funding available under the 1115 Waiver, SFDPH will need to make financial investments in its basic infrastructure and capacity (primary care and specialty care. DSRIP ties federal funding to very ambitious milestones in the following four areas:

- 1). Infrastructure Development: Investment in technology, tools and human resources to strengthen SFDPH's ability to serve its population and improve its services
- 2). Innovation and Redesign: Investments in new and innovative models of care delivery that have the potential to make significant improvements in disease management, cost reduction and patient experience
- 3). Population Focused-Improvement: Investments in enhancing care delivery for the 5-10 highest burden conditions treated within the SFDPH, i.e. diabetes, heart disease....
- 4). Urgent Improvement in Care: Infusion of top-level clinical performance interventions at SFGH utilizing evidenced-based best practices.

JUSTIFICATION: (required by the Mayor's Office)

The new 1115 Waiver attempts to prepare California's health care delivery systems and uninsured residents for implementation of major components of federal health reform in 2014. Funding under the Waiver is not guaranteed and a significant portion is at-risk and only available upon satisfactory performance and achievement of federally approved milestones. The Waiver requires additional county expenditures to meet the various milestones.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

The approximate 100,000 unduplicated clients served annually by the SFDPH.

EXPENSE AND REVENUE IMPACT (Reductions/Reallocations)

Revenue will increase by \$39,938,855. The revenues included in this initiative are those additional outpatient clinic revenues generated as a result of increased capacity and revenue from meeting the DSRIP milestones. Expenses will increase by \$20,414,939

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

Increasing by 49.21 FTEs in the first year and 98.42 ongoing.

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: California Medicaid Section 1115 Waiver Bridge to Healthcare Reform - DSRIP

	FY 2011-12	Ongoing/Annualized
Sources:		
Medi-Cal Revenue	\$ 2,101,855	\$ 2,101,855
1115 Waiver DSRIP Revenue	37,837,000	37,837,000
Subtotal Sources	39,938,855	39,938,855
Uses:		
Salaries & Fringes	\$ 6,117,802	12,235,605
Operating Expensesm (UC and DPH nonlabor)	13,772,137	13,772,137
Capital Equipment & Project (one time)	525,000	-
Subtotal Uses	20,414,939	26,007,742
Net General Fund Subsidy Required (savings)/cost (Uses less Sources)	\$ (19,523,916)	\$ (13,931,113)
Total FTE's	49.21	98.42

	DPH FTE's	DPH Amount	USCF Amount	Total
Primary Care Expansion, Navigation & Redesign				
SFGH FCM& DGIM Residency Expansion	0.00	0	1,256,400	1,256,400
Expand Primary Care Capacity	18.62	2,087,134	379,469	2,466,602
UCC & ED Navigators	0.00	0	0	0
Link Patients with Significant Psychiatric Illness	0.00	100,000	0	100,000
Primary Care Team-Model Deployment	10.88	1,193,890	112,455	1,306,345
ATDM/Team-Model Self ManagementTools	0.00	0	0	0
DPH Nurse Advice Line and Appointment Unit	0.50	349,116	0	349,116
#1 Total	30.00	3,730,139	1,748,324	5,478,463
Enhance Specialty Care Access, Coordin. & Efficiency				
Expand eReferral	0.00	0	836,798	836,798
Increase Specialty Clinician Capacity	6.60	3,053,329	4,878,301	7,931,630
Telemedicine Implementation	0.00	401,500	92,610	494,110
#2 Total	6.60	3,454,829	5,807,708	9,262,537
Urgent Improvement (UR, Safety & Quality Assurance)				
Urgent Improvements in Inpatient Care	2.00	268,657	176,400	445,057
Team Staff Training/Simulation Center	1.50	514,528	1,344,000	1,858,528
Data Management Center	2.50	311,437	0	311,437
Hire Attending MD Hospitalists-ACGME Trainee Redesign	0.00	0	1,776,590	1,776,590
Utilization Review	5.61	1,033,157	0	1,033,157
Patient Wellness Program	1.00	193,015	56,155	249,170
#3 Total	12.61	2,320,794	3,353,145	5,673,939
Total	49.21	9,505,762	10,909,177	20,414,939

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 type="checkbox"/> CBHS - Substance Abuse |
| <input type="checkbox"/> Jail Health | <input type="checkbox"/> |
| <input type="checkbox"/> Health At Home | |

DPH SECTION: Community Oriented Primary Care – Community Behavioral Health

PROGRAM CONTACT NAME/PHONE: **Michael Baxter, MSW 575-5685**PROGRAM / INITIATIVE TITLE: **Integrated Healthcare for Youth**GENERAL FUND: **(\$0)**

TARGETED CLIENTS: Youth and Their Families, Transitional Age Youth

PROGRAM DESCRIPTION: (Description of Program Change)

The passage of Proposition 63 (known as the Mental Health Services Act or MHSA) in November 2004 provides both a vision and funding to transform California's mental health system. The Act addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support the system. Two elements of MHSA funding are Innovation (INN) and Workforce Development, Education and Training (WDET).

INN funding provides an opportunity for Counties to "try-out" new approaches that can inform current and future mental health practices/approaches that are "novel and creative" and contribute to learning that occurs within communities through a process that is inclusive and representative. 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 implementing early intervention services at 3rd Street and Hawkins clinics, expanding school-based services and linkages, and supporting increased capacity at the Balboa Teen Health Center.

The goal of WDET is to identify gaps in the workforce, increase a workforce's cultural and linguistic capacities, and to educate consumers. One of the programs supported with WDET funds is the *Internships for Hard-To-Fill Positions and Underrepresented Population*. The goal of this program is to address mental health workforce shortages and diversity needs by creating a more comprehensive workforce that is culturally competent and staffed by professionals from the targeted service communities who meet the cultural competency needs of Community Behavioral Health Services. A Psychiatric Social Worker will be hired in FY11-12 to work in the CBHS system of care serving transitional aged youth

Finally, the Department is proposing the creation of Marriage and Family Therapist and a Health Worker to provide substance abuse services at the Castro Mission Dimensions Clinic for Lesbian, Gay, Bisexual, Transgender, Queer and Questioning Youth (between the ages of 12 to 24). Services will be integrated into Dimensions' comprehensive health care program to include primary medical and reproductive health care, mental health and health education services. These services may also be provided at other community sites including LYRIC, the LGBT Center, Huckleberry's MultiService Center, the Larkin Street Youth Clinic, and various SFUSD Wellness Centers. These positions will be funded from the savings created by the closure of New Leaf, a non-profit agency, in FY10-11.

JUSTIFICATION: (required by the Mayor's Office)

INN and WDET funding provide an opportunity to expand services for youth. Counties are required to use 5% of their MHSA allocation to support Innovation (INN) funding and collectively these services have been prioritized

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

This funding will allow Community Health Programs for Youth and a CBHS clinic to see an additional 335+ youth and a smaller subset of these youths' families (10-20%) over the course of the fiscal year. Units of service will include prevention services, support for reducing stigma attached to youth accessing mental health services, direct treatment services, and early intervention services for a total of approximately 2500 hours of face to face services.

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

This is a revenue/cost neutral initiative and will have no impact to local general funds.

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

4.62 FTE's will be added to the FY11-12 Budget

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: Integrated Health Care for Youth

	FY 2011-12	Ongoing
Sources:		
MHSA Revenues - HMHMPROP63, PHMS63/12	\$ 364,628	\$ 491,491
Subtotal Sources	364,628	491,491
Uses:		
Salaries & fringes Character 001/013	\$ 515,591	\$ 755,185
Professional Services	(150,963)	(263,694)
	-	-
Subtotal Uses	364,628	491,491
Net General Fund Subsidy Required (Uses less Sources)	\$ -	\$ -
Total FTE's	4.62	6.0

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

Class	Title	FTE's		
2930	Psychiatric Social Worker	0.77	\$	60,070
2931	Marriage, Family, and Child Counselor	0.77		60,070
2574	Clinical Psychologist	0.77	\$	69,536
2930	Psychiatric Social Worker	0.77	\$	60,070
2931	Marriage, Family, and Child Counselor	0.77		60,070
2587	Health Worker III	0.77	\$	43,329
		4.62		353,144
	Fringe (46 %)			162,446
			\$	515,591

Operating Expenses

Index Code	Character/Subobject Code		
HMHMSCCRES227	021/02700		\$ (150,963)

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

- Public Health
 CBHS - Mental Health
 CBHS - Substance Abuse
 Health At Home

DPH SECTION: CBHS – Mental Health

PROGRAM CONTACT NAME/PHONE: Jo Robinson 255-3440

PROGRAM / INITIATIVE TITLE: San Francisco Mental Health Plan Private Provider Network

GENERAL FUND: \$0

TARGETED CLIENTS: Community Behavioral Health Services (CBHS) Clients

PROGRAM DESCRIPTION: (Description of Program Change)

In 1995 the Health Commission and the Board of Supervisors accepted the responsibility from the State of California to operate the County's only health plan for specialty mental health services for MediCal beneficiaries in San Francisco (San Francisco Mental Health Plan, SFMHP). In return the State began providing the county with an annual funding allocation. CBHS is responsible for authorization and payment of all specialty mental health services for all MediCal beneficiaries in the county, including reimbursing private providers. The SFMHP covers all medically necessary inpatient and outpatient specialty mental health services. The annual budget is \$5.4m, which funds approximately 423 private providers, delivering approximately 67,453 units of service to approximately 4,000 clients annually. As the role of the Private Provider Network has become more important within the managed care environment, and as State and Federal compliance requirements, including credential verification, have become more comprehensive and stringent, infrastructure needs to manage the network have emerged. Additionally, with an emphasis on more care coordination and the recent integration of behavioral health and primary care clinics, the Department is proposing to convert funding from the professional services budget in the MHP state allocation to support a Health Program Coordinator.

JUSTIFICATION: (required by the Mayor's Office)

To coordinate the reporting, claiming, compliance and emerging needs of the PPN, the addition of a Health Program Coordinator is expected to broaden the scope of administrative and clinical support, within the SFMHP, Private Provider Network.

IMPACT ON NUMBER OF CLIENTS SERVED AND UNITS OF SERVICE PROVIDED

This initiative will improve management, oversight and compliance of the Private Provider Network with all local, State and Federal requirements and will help in the coordination of clients with the integration of behavioral health and primary care services.

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

Reallocation of \$102,490 from 021 Professional Services to 001/013 Personnel and Fringe Benefits.

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

Increase of 1.0 FTE 2593 Health Program Coordinator III (.77FTE in FY11-12).

**ATTACHMENT B
SUMMARY OF PROGRAM COST**

INITIATIVE TITLE: SFMHP PPN Managed Care

	FY 2011-12	Ongoing
Sources:		
Subtotal Sources	-	-
Uses:		
Salaries & fringes Character 001/013	\$ 102,490	\$ 133,104
Professional Services	(102,490)	(133,104)
Subtotal Uses	-	-
Net General Fund Subsidy Required (Uses less Sources)	\$ -	\$ -
Total FTE's	0.77	1.0

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

Class	Title	FTE's		
2593		0.77	\$	70,199
	Fringe (46 %)			32,291
			\$	102,490

Operating Expenses

Index Code	Character/Subobject Code			
HMHMOPMGDCAR	Project code: PHMGDC 12 Char 021/02700		\$	(102,490)
			\$	0

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