



London N. Breed
Mayor

Grant Colfax,
Director of Health

MEMORANDUM

DATE: February 13, 2020

TO: President Dan Bernal and Honorable Members of the Health Commission

FROM: Greg Wagner, Chief Financial Officer *gwg for gwg*

THROUGH: Grant Colfax, Director of Health *GC*

RE: **FY 2020-2021 and FY 2021-2022 Proposed Budget – Second Hearing**

At the February 18th Commission meeting we will have the second hearing on the Department of Public Health's proposed budget for FY 2020-2021 and FY 2021-2022 (FY 20-22). As you recall, our first hearing on February 4th included an overview of the Department's base budget and key areas of focus for the two upcoming fiscal years. In this second hearing, we will present our proposed budget submission, including revenues, savings and emerging needs. We are requesting Commission approval of these initiatives for submission to the Controller and Mayor's Office.

As you know, a key priority for the department is the development and implementation of Mental Health SF, a visionary program to transform the City's behavioral health system led by Mayor Breed and the Board of Supervisors. The program was codified in an ordinance passed in 2019 and has estimated cost of \$100 million to realize. Because of the ambitious scale of the program, implementation is likely to occur over several years as funding sources are identified. DPH is currently working with the Mayor's Office and City leadership to determine the available funding and plans to begin implementation over the coming two-year budget horizon. As we discussed at the previous budget hearing, this planning is likely to continue through the remainder of the budget and as a result, the proposed Health Commission budget documents do not include a completed funding plan for the initiative. Instead, department staff have attempted to develop a budget submission that, in addition to meeting requirements in the Mayor's Office budget instructions, leaves as much surplus funding as possible available to contribute to costs associated with Mental Health SF. The budget proposal presented at the February 18 meeting meets the department's budgetary targets and identifies additional \$7.0 million available to allocate toward additional Mental Health SF initiatives. We will continue to update the Commission through the spring and summer as plans for the program develop.

Our proposed initiatives are summarized below and detailed narratives are attached.

Revenues and Savings Initiatives

- *Baseline Revenues at Zuckerberg San Francisco General (ZSFG) and Laguna Honda Hospital (LHH)* - The two hospitals continue to project growth in baseline revenues over the next two years. Revenues at ZSFG are budgeted at somewhat lower levels in FY2021-22 to

reflect uncertainty as the State negotiates a successor program to the Medi-Cal 1115 Waiver, effective in 2021. We will monitor the proposed changes and revisit the projections over the next 12 months.

- *One-Time Settlements* – California is currently negotiating a successor program at the end of its existing Medi-Cal Waiver with the Center for Medicare and Medi-Cal Studies (CMS). As part of the negotiation, CMS has mandated that eight fiscal years of previous Waivers be closed and settled by the end of 2020. Due to the complex nature in which Medicaid Waiver funds are distributed between California's Designated Public Hospitals, it is DPH policy to reserve a portion of the revenue received in each year to protect against the possibility of overpayments that must be repaid. The department anticipates that the process of closing multiple fiscal years will likely result in recognition of an additional \$65.9 million in prior-year one-time revenue over the next 10 months.
- *Savings from the Decommissioning of Legacy systems* – DPH will realize operating savings as a result of decommissioning eleven information technology systems after successfully implementing Wave 1 of Epic, our new electronic health record. This initiative also adjusts for projected inflationary increases on existing IT contracts, supplies and equipment in IT operations, result in net annual ongoing savings of \$8.4 million.
- *Backfill of Federal Reductions in Population Health Division (PHD)* – PHD expects a total shortfall of \$494,159 and \$504,811 in state and federal revenues in FY 2020-21 and FY 2021-22 respectively. These shortfalls affect Disease Prevention and Control and Public Health Emergency Response and Preparedness Branches. Because these grants support core public health services, a general fund backfill of these grants is necessary to maintain programming.
- *Establishing a Specialty Pharmacy and Increasing Pharmacy Staffing* – the San Francisco Health Network (SFHN) will develop a Specialty Pharmacy Program at ZSFG for DPH patients taking high cost, complex, specialty medications that require comprehensive pharmaceutical care. In addition, pharmacy staffing LHH and Jail Health Services will expand to comply with regulatory plans of correction and daily patient care needs resulting from changes in workflow due to the implementation of Epic.

Emerging Needs

- *SFHN Quality Management Centralization and Expansion Office of Compliance Privacy Affairs* – This initiative creates a centralized Quality Management (QM) Department for SFHN, merging the QM departments of LHH and ZSFG. It also expands our current Office of Compliance and Privacy Affairs with two additional staff to further ensure appropriate coverage of regulatory and legal patient protections that are essential to providing quality care.
- *Maternal Child Health Equity Initiatives* – DPH will make new investments in three programs: the Doula Access Project, the Abundant Birth Project and the Peri-Natal Equity program, all focused on pregnant Black-African American Women and young families and with the goal of reducing health disparities.

- *Supporting Operations at ZSFG* – Zuckerberg San Francisco General has been consistently operating above its budget inpatient hospital census. This initiative operationalizes 12 additional med-surge beds, adds permanent staffing in ancillary services, and funds licensed psychiatric technicians in the emergency department to maintain support for the higher census and to meet complex needs of the hospital's patients. The increased operating expenditures are partially offset by liquidation of a project expenditures used to support surges in census.
- *Strengthening Human Resources* – This initiative adds 20 FTE to increase DPH Human Resources, including operations, labor relations and payroll. Through its strategic planning process, DPH has identified HR improvements as a top priority, including accelerating hiring times, staff retention and improving employee experience. This initiative is designed to improve hiring times, support improved employee experience, and reduce the number of vacancies in the department.

After accounting for all proposed revenues and emerging needs included in this budget proposal, the department would meet general fund reduction targets and yield an additional positive balance of \$7.0 million. This calculation is summarized in the table below.

Budget Instructions	FY 20-21	FY 21-22	Two-Year Total	
3.5/7% General Fund Reduction Target	\$ (26,571,440)	\$ (53,142,880)	\$ (79,714,320)	
Revenue Growth Assumed in Deficit	(20,856,736)	(41,089,856)	\$ (61,946,592)	
	(47,428,176)	(94,232,736)	(141,660,912)	
Health Commission Proposal to Meet Target				
Revenue	\$ 120,455,328	\$ 44,659,450	\$ 165,114,778	
Emerging Needs	\$ (7,347,597)	\$ (9,063,628)	\$ (16,411,225)	
Total Proposed	\$ 113,107,731	\$ 35,595,822	\$ 148,703,553	
Net Balancing - Above/(Below) Target	\$ 65,679,555	\$ (58,636,914)	\$ 7,042,641	Available funds for MHSF

The department requests the Commission's approval to submit a budget including this \$7.0 million in surplus funding as an initial contribution toward additional initiatives related to the Mental Health San Francisco (MHSF) legislation. New and expanded programming could include initiatives identified in the MHSF legislation such as a mental health services center, increased care coordination, drug sobering locations, coordinated outreach teams, and additional mental health and substance use treatment services. With the Commission's approval, over the next several months DPH will work with the Mayor's Office on programming related to Mental Health SF and report to the Commission on proposed use of these funds.

With your approval, we will submit the full proposal presented here to the Mayor and Controller's Office on February 21. We will keep you informed and as necessary schedule any additional hearings as our initiatives are considered for the Mayor's Proposed Budget on June 1.

DEPARTMENT OF PUBLIC HEALTH FY 20-22 PROPOSED BUDGET 2-18-20

Div	Item	Description	FTE Change	FY 20-21			FY 21-22			Comment
				Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF Impact Favorable/ (Unfavorable)		Expend Incr/(Decr)	Revenues Incr/(Decr)	Net GF Impact Favorable/ (Unfavorable)
MAYOR'S INSTRUCTIONS										
		3.5/7% General Fund Reduction				\$ (26,571,440)				\$ (53,142,880)
		Revenues Assumed In Deficit				\$ (20,856,736)				\$ (41,089,856)
		Total Target General Fund Reductions				\$ (47,428,176)				\$ (94,232,736)
REVENUE AND SAVINGS										
ZSFG	A1	Zuckerberg San Francisco General (ZSFG) and Medi-Cal Waiver Revenues	-	\$ 21,500,613	\$ 60,049,735	\$ 38,549,122		\$ 11,908,452	\$ 36,316,118	\$ 24,407,666
ZSFG	A2	One-time Revenue from Medi-Cal Settlements	-	\$ -	\$ 65,983,706	\$ 65,983,706		\$ -	\$ -	\$ -
LHH	A3	Laguna Honda Hospital (LHH) Baseline Revenues	-	\$ -	\$ 6,534,554	\$ 6,534,554		\$ -	\$ 12,115,872	\$ 12,115,872
DPH	A4	Decommissioning of Legacy IT systems	-	\$ (9,882,105)	\$ -	\$ 9,882,105		\$ (8,640,723)	\$ -	\$ 8,640,723
PHD	A5	Backfill of Federal Funding for Population Health Programs	1.00	\$ -	\$ (494,159)	\$ (494,159)		\$ -	\$ (504,811)	\$ (504,811)
SFHN	A6	Specialty Pharmacy Expansion	12.32	\$ 3,333,986	\$ 3,333,986	\$ -		\$ 8,276,925	\$ 8,276,925	\$ -
TOTAL REVENUE			13.32	\$ 14,952,494	\$ 135,407,822	\$ 120,455,328		\$ 11,544,654	\$ 56,204,104	\$ 44,659,450

Annual adjustments to ZSFG and San Francisco Health Network revenue based on actual projections related to Medi-Cal, Capitation, Medicare and other patient revenues.

As part of any new waiver negotiation between California and CMS, CMS has mandated that all open Waivers be closed and settled. The department anticipates that the process of closing multiple fiscal years will likely result in recognition of an additional \$65.9 million in prior-year one-time revenue over the next 10 months.

Annual adjustment to baseline revenues at Laguna Honda Hospital due to legislated state rate increase. SFHN will develop a Specialty Pharmacy Program at ZSFG for DPH patients taking high cost, complex, specialty medications that require comprehensive pharmaceutical care. In addition, pharmacy staffing at LHH and Jail Health Services (JHS) will expand to comply with regulatory plans of correction and daily patient care needs resulting from changes in workflow due to the implementation of Epic.

Backfills federal and state reductions to the Disease Prevention and Control, Public Health Emergency and Preparedness and Immunization programs within Population Health.

This initiative focuses on expanding pharmacy at the San Francisco Health Network in two ways. First, the SFHN will develop a specialty Pharmacy Program at ZSFG for DPH patients taking high cost, complex, specialty medications that require comprehensive pharmaceutical care. Second, Laguna Honda Hospital (LHH) and Jail Health Services (JHS) will expand its staffing to comply with regulatory plans of correction workflow changes in two ways.

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

☐ DPH – department wide
☒ Zuckerberg San Francisco
 General Hospital

☐ Population Health
☐ Laguna Honda Hospital

☐ SF Health Network Wide
☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **ZSFG Baseline and Medi-Cal Waiver Revenues**

TARGETED CLIENTS: N/A

PROGRAM CONTACT NAME/TITLE: **Matthew Sur, Finance Manager**

FY2020-21 FTE Change	FY 2021-22 FTE Cumulative Change	FY 2020-21 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
n/a	n/a	\$38,549,122	\$24,407,665

PROGRAM DESCRIPTION: (brief description of proposed change)

This initiative adjusts Zuckerberg San Francisco General baseline revenues to reflect current revenue projections and managed care projected funding changes outlined in the current Medi-Cal Waiver. Note that the figures described here are net revenues after our Intergovernmental Transfer Payment (IGT) which serves a match.

JUSTIFICATION:

Net patient revenues at Zuckerberg San Francisco General are being adjusted to reflect FY 18-19 levels, our most recent completed fiscal year and budgeted revenues are being realigned into the correct categories. Revenue is being adjusted to include the new Medicaid Graduate Medical Education program projected to annually add \$13 million in revenue. Capitation revenues are projected to decrease mainly due to a slight decrease in SFHP members which affects the capitation. With the current Medi-Cal Waiver is set to expire at the end of December 2020, a portion of the Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program funding is expected to move into the Quality Incentive Program (QIP). Both the Enhanced Payment Program (EPP) and the QIP are being adjusted to reflect FY 17-18 levels, reflecting our most recent completed fiscal year report.

Medi-Cal Healthier California for All is the State's Medi-Cal Waiver replacement. Planning is still in the early stages and funding is now reliant on services provided through the Medi-Cal Managed Care plans. Given uncertainty around the distribution of funds, the in FY 2021-22 budget assumes that ZSFG will not receive \$14 million of at-risk revenues. This assumption will likely need to be revisited in the next year's budget process when more is known about the new Waiver.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

No impact on clients.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Net revenues will increase by \$38.5 million in FY20-21 and reduces to \$24.4 million in FY21-22.

IMPACT ON DEPARTMENT'S WORKFORCE :

No impact on FTEs in both years.

INITIATIVE TITLE: ZSFG Baseline Revenues and Medi-Cal Waiver

Description		FY 2020-21	FY 2021-22
Sources:			
	ZSFG Patient Revenues	\$ (32,308,711)	\$ (32,308,711)
	SFHN Capitation	\$ (10,347,274)	\$ (10,347,274)
	SFHN GPP/Prime	\$ 36,531,070	\$ 11,660,070
	SFHN Medicaid GME	\$ 26,904,634	\$ 26,904,634
	SFHN EPP	\$ 59,776,464	\$ 59,776,464
	SFHN QIP	\$ (20,506,448)	\$ (19,369,066)
Subtotal Sources		\$ 60,049,735	\$ 36,316,118
Uses:			
	Salary and Benefits	\$ -	\$ -
	Operating Expense - IGT Payment	\$ 21,500,613	\$ 11,908,452
Subtotal Uses		\$ 21,500,613	\$ 11,908,452
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ 38,549,122	\$ 24,407,665
Total FTE's		0.00	0.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
0		0.00			
0		0.00			
0		0.00			
0		0.00			
Total Salary		0.00	-	0.00	-
Fringe					-
Total Salary and Fringe		0.00	0	0.00	0
Character/Subobject Code					
527000 Professional Services			-		-
540000 Materials and Supplies			-		-
		\$	-	\$	-

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

☐ DPH – department wide
 ☐ Population Health
 ☐ SF Health Network Wide
☒ Zuckerberg San Francisco General Hospital
 ☐ Laguna Honda Hospital
 ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **ZSFG One-Time Settlements**

TARGETED CLIENTS: N/A

PROGRAM CONTACT NAME/TITLE: **Matthew Sur, Finance Manager**

FY2020-21 FTE Change	FY 2021-22 FTE Cumulative Change	FY 2020-21 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
n/a	n/a	\$65,983,706	\$0

PROGRAM DESCRIPTION: (brief description of proposed change)

To adjust Zuckerberg San Francisco General baseline revenues due to the closing of previous Medi-Cal Waivers (2005 and 2010 Waivers).

JUSTIFICATION:

California's Medicaid 2020 waiver is set to expire on December 31, 2020. As part of any new waiver negotiation between California and CMS, CMS has mandated that all open Waivers be closed and settled. At the present time, FY07-08 through FY14-15 are still open and must be settled by the December 31 deadline. Due to the complex nature in which Medicaid Waiver funds are distributed between California's Designated Public Hospitals, it is DPH policy to reserve a portion of the revenue received in each year to protect against the possibility of overpayments that must be repaid. The department anticipates that the process of closing multiple fiscal years will likely result in recognition of an additional \$65.9 million in prior-year one-time revenue over the next 10 months.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

No impact on clients.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Net revenues will increase by \$65.9 million in FY20-21

IMPACT ON DEPARTMENT'S WORKFORCE :

No impact on FTEs in both years.

INITIATIVE TITLE: ZSFG One-Time Settlements

Description		FY 2020-21	FY 2021-22
Sources:			
	SFHN DSH/SNCP	\$ 65,983,706	\$ -
	Subtotal Sources	\$ 65,983,706	\$ -
Uses:			
	Salary and Benefits		
	Operating Expense		
	Subtotal Uses	\$ -	\$ -
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ 65,983,706	\$ -
Total FTE's		0.00	0.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
		0.00			
		0.00			
	Total Salary	0.00	-	0.00	-
	Fringe				-
	Total Salary and Fringe	0.00	0	0.00	0

Character/Subobject Code
527000 Professional Services
540000 Materials and Supplies

\$ - \$ -

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

- ☐ DPH – department wide
 ☐ Population Health
 ☐ SF Health Network Wide
☐ San Francisco General Hospital
 ☒ Laguna Honda Hospital
 ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **Laguna Honda Hospital Baseline Revenue**

TARGETED CLIENTS:

PROGRAM CONTACT NAME/TITLE: **Matthew Sur, ZSFG Reimbursement Manager**

FY2020-21 FTE Change	FY 2021-22 FTE Cumulative Change	FY 2020-21 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
n/a	n/a	\$6,534,554	\$12,115,872

PROGRAM DESCRIPTION: (brief description of proposed change)

Laguna Honda Hospital's baseline revenues will increase by \$6,534,554 in FY 2020-21 and \$12,115,872 in FY2021-22.

JUSTIFICATION:

The projected increase in inpatient revenue at Laguna Honda Hospital is due to a 10% increase in Medical Skilled Nursing Facility Per Diem Rates for FY 2019-20, 50% of this increase is offset by the decrease in the DP/NF Supplemental revenue based on federal matching requirements.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

No impact

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Increase in revenues will reduce general fund subsidy for the department by \$6.5 million in FY 20-21 and increasing to \$12.1 million in FY 21-22.

IMPACT ON DEPARTMENT'S WORKFORCE :

No impact

INITIATIVE TITLE: Laguna Honda Baseline Revenues

Description		FY 2020-21	FY 2021-22
Sources:			
	Net Patient Revenue	\$ 6,534,554	\$ 12,115,872
	Subtotal Sources	\$ 6,534,554	\$ 12,115,872
Uses:			
	Salary and Benefits	\$ -	\$ -
	Operating Expense	\$ -	\$ -
	Subtotal Uses	\$ -	\$ -
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ 6,534,554	\$ 12,115,872
Total FTE's		0.00	0.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
0		0.00			
0		0.00			
	Total Salary	0.00	-	0.00	-
	Fringe				-
	Total Salary and Fringe	0.00	0	0.00	0
Character/Subobject Code					
527000	Professional Services		-		-
540000	Materials and Supplies		-		-
		\$	-	\$	-

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

- ☒ DPH – department wide ☐ Population Health ☐ SF Health Network Wide
☐ San Francisco General Hospital ☐ Laguna Honda Hospital ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **Decommissioning Legacy Health Record Systems**

TARGETED CLIENTS: n/a

PROGRAM CONTACT NAME/TITLE: **Eric Raffin, CIO**

FY2020-21 FTE Change	FY 2020-21 FTE Cumulative Change	FY 2021-22 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
n/a	n/a	\$9,882,105	\$8,640,723

PROGRAM DESCRIPTION: (brief description of proposed change)

DPH successfully implemented Wave 1 of the Epic electronic health record system on August 3, 2019. As part of a benefits realization plan, multiple legacy IT systems that were replaced by Epic can be decommissioned resulting in ongoing savings. While a portion of the \$11 million in expected savings is offset by a need to adjust remaining contracts with built-in inflationary costs, the department will still achieve savings of \$9,882,105 million in FY 20-21, and \$8,640,723 ongoing to help meet its general fund reduction target.

JUSTIFICATION:

The Epic system is a comprehensive solution and the Wave 1 implementation has supplanted the need for 11 legacy information systems, including previous EHR products from Cerner and eClinicalWorks. These 11 systems will be decommissioned and DPH will no longer incur licensing, support and maintenance costs. Upon completion of a decommissioning process lead by DPH IT in FY 19-20, DPH will achieve ongoing savings in its base IT budget of \$11 million. A portion of this savings will be used to offset inflationary costs for non-personnel services, material and supplies, and equipment within the IT operating budget which has not been adjusted for inflation since it was centralized in FY 2015-16. With the implementation of Epic, it is imperative we maintain and update our IT infrastructure and systems to ensure we can use Epic tools to their fullest potential. A five percent inflation factor for the next two years will added \$1.2 million in FY 2020-21 and \$2.4 million in FY 2021-22 to DPH's IT budget.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

No impact.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Expenditure reduction of \$9,882,105 in FY 20-21 and ongoing reduction of \$8,640,723 starting in FY 21-22.

IMPACT ON DEPARTMENT'S WORKFORCE :

No impact.

INITIATIVE TITLE: Decommissioning Legacy Health Record Systems

Description	FY 2020-21	FY 2021-22
Sources:	\$ -	\$ -
Subtotal Sources	\$ -	\$ -
Uses: Salary and Benefits	\$ -	\$ -
Operating Expense	\$ (9,882,105)	\$ (8,640,723)
Subtotal Uses	\$ (9,882,105)	\$ (8,640,723)
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)	\$ 9,882,105	\$ 8,640,723
Total FTE's	0.00	0.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>	<u>FTE</u>
0		0.00	
0		0.00	
	Total Salary	0.00	-
	Fringe		-
	Total Salary and Fringe	0.00	0
Character/Subobject Code			
527000	Cerner - Central IT	(6,311,808)	(6,311,808)
527000	eClinical Works - Central IT	(2,183,722)	(2,183,722)
527000	Intelligent Medical Objects - Central IT	(86,125)	(86,125)
527000	MedWeb - Central IT	(246,372)	(246,372)
527000	Rubicon - Central IT	(33,333)	(33,333)
527000	Surgical Information Systems - ZSFG	(904,271)	(904,271)
527000	IntelliSpace Critical Care - ZSFG	(113,262)	(113,262)
527000	Salar - ZSFG	(935,099)	(935,099)
527000	Occupational Health Management - ZSFG	(135,438)	(135,438)
527000	Delta - HHH	(114,944)	(114,944)
527000	Inflationary Adjustment for Base IT nonpersonnel	1,182,269	2,423,652
		(9,882,105)	(8,640,723)
540000	Materials and Supplies		

FY 2020-21 & 2021-22 Program Change Request**DIVISION:**☐ DPH – department wide☒ Population Health☐ SF Health Network Wide☐ San Francisco General Hospital☐ Laguna Honda Hospital☐ Ambulatory Care _____PROGRAM / INITIATIVE TITLE: **Backfill Federal and State Funding Reductions for Population Health Division**

TARGETED CLIENTS: Residents and visitors in San Francisco

PROGRAM CONTACT NAME/Title: **Amanda Kwong, PHD Budget Analyst**

FY 2020-21 FTE Change	FY 2021-22 FTE Cumulative Change	FY 2020-21 Net General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
1.00	1.00	(\$494,159)	(\$504,811)

PROGRAM DESCRIPTION: (brief description of proposed change)

SFDPH's Population Health Division (PHD) addresses public health concerns, including prevention and control for infectious diseases, monitoring of threats to the public's health, health promotion and education, and consumer safety. PHD implements traditional and innovative public health interventions. PHD has an annual budget of \$122 million and approximately \$65 million from federal, state and private grants. Due to changes in federal and state funding priorities, PHD expects a total shortfall of \$494,159 and \$504,811 in revenues in FY 2020-21 and FY 2021-22 respectively. These shortfalls affect Disease Prevention and Control and Public Health Emergency Response and Preparedness Branches. As these grants provide support for core services described below, a general fund backfill of these grants is necessary to continue our existing services to promote and protect the health of people who live, work and visit San Francisco.

JUSTIFICATION:

Disease Prevention and Control Branch protects the health of San Francisco residents and visitors through public health clinics (Tuberculosis clinic, City Clinic, the AITC Immunization and Travel Clinic), our Public Health Laboratory, and our chronic disease prevention and control team. This branch projects the follow revenue reductions:

STD City Clinic – Backfill requested for contracts services provided by community based providers for clinical staff, Phlebotomists, and volunteer screeners to provide STD/STI screening and testing encounters to gay men and other MSM. Estimated general fund support are \$96,060 and \$96,060 in FY 2020-21 and FY 2021-22 respectively.

Immunization Program aims to achieve and maintain full immunization protection for each child and adult in San Francisco in order to promote community health and stop the spread of vaccine preventable diseases. Estimated general fund support are \$40,226 and \$41,298 in FY 2020-21 and FY 2021-22 respectively.

Public Health Emergency Preparedness and Response (PHEPR) Branch serves the public, Department of Public Health (DPH), and community partners by coordinating health emergency

preparedness, response, and recovery efforts. PHEPR acts as stewards through strategic planning, efficient allocation of resources, and leveraging of SFDPH and citywide capabilities. PHEPR promotes a culture of preparedness to ensure that in an emergency, disease and injury are prevented. Accessible, timely, and equitable health and clinical services are available. Backfill positions are critical and responsible for overseeing and directing the Public Health Emergency Preparedness for the Department, including budget and financial management of grants, creating and/or maintaining comprehensive, department-wide plans to received, distributing and providing emergency mass vaccinations or mass antibiotic prophylaxis, and fulfilling mandatory state and funding requirements by ensuring a Continuous Quality Improvement process that links emergency preparedness planning and training to the demonstration of readiness through exercise or response. Estimated general fund support are \$357,873 and \$367,453 in FY 2020-21 and FY 2021-22 respectively.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

Allows PHD to continue existing services to residents and visitors in San Francisco.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Revenue reductions of \$494,159 in FY 2020-21 and \$504,811 in FY 2021-22, which will be offset by an increase in general fund support as the expenditures for these services are reassigned.

IMPACT ON DEPARTMENT'S WORKFORCE :

This initiative will also add one permanent 2951 Health Program Coordinator II to PHEPR operations to continue work previously provided by a limited-term grant funded position.

INITIATIVE TITLE: Backfill of Funding Reductions to Population Health

Description		FY 2020-21	FY 2021-22
Sources:			
	CDCP - IZ backfill	\$ (40,226)	\$ (41,298)
	STD backfill	\$ (96,060)	\$ (96,060)
	PHEPR backfill	(357,873)	\$ (367,453)
Subtotal Sources		\$ (494,159)	\$ (504,811)
Uses:			
	Salary and Benefits		
	Operating Expense		
Subtotal Uses		\$ -	\$ -
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ (494,159)	\$ (504,811)
Total FTE's		1.00	1.00

Costs Reassigned from Grant Funding to General Fund

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
2591	Health Program Coordinator II	0.25	27,378	0.25	28,341
1823	Senior Administrative Analyst	0.30	36,929	0.30	38,228
2589	Health Program Coordinator I	1.00	96,196	1.00	99,580
2591	Health Program Coordinator II (new position)	1.00	109,513	1.00	113,365
Total Salary		2.55	270,017	2.55	279,514
Fringe		47.4%	128,082	46.2%	129,237
Total Salary and Fringe		2.55	398,099	2.55	408,751
Character/Subobject Code					
527000	Professional Services		96,060		96,060
540000	Materials and Supplies				
			\$ 96,060	\$	96,060

2020-2022 Program Change Request

DIVISION:

- ☒ DPH – department wide
 ☐ Population Health
 ☐ SF Health Network Wide / Managed Care
☐ Zuckerberg San Francisco General Hospital
 ☐ Laguna Honda Hospital
☐ Ambulatory Care: Primary Care

PROGRAM / INITIATIVE TITLE: **SFHN Specialty Pharmacy & Regulatory Compliance**

TARGETED CLIENTS: SFHN patients

PROGRAM CONTACT NAME/PHONE: **David Woods, Chief Pharmacy Officer**

2020-2021 FTE Change	2021-2022 FTE Cumulative Change	FY 2020-2021 Net General Fund Impact	FY 2021-2022 Cumulative Net General Fund Impact
11.55	15.77	\$0	\$0

PROGRAM DESCRIPTION: (Brief description of Program Change)

This initiative expands the pharmacy at the San Francisco Health Network (SFHN) to support high-needs patients and to ensure quality and regulatory compliance.

First, the SFHN will develop a specialty pharmacy program at ZSFG for patients prescribed high cost, complex, specialty medications that require comprehensive pharmaceutical care. This program leverages the DPH 340B network for drug discounts and will expand programming through a new ZSFG Specialty Pharmacy and by developing contracts with external Specialty Pharmacies.

Second, Laguna Honda Hospital (LHH) and Jail Health Services (JHS) will expand pharmacy staffing to comply with regulatory plans of correction and daily patient care needs resulting from changes in workflow due to the implementation of Epic, the department's new electronic health record.

JUSTIFICATION:

A new specialty pharmacy service will improve patient care and clinical outcomes for high-needs patients with complex chronic conditions and/or rare diseases. The DPH is in the unique position of being able to establish this service in the face limited community specialty pharmacies that could cause reduced access to vital medications.

Specialty pharmacy medications are very costly (\$1000+/month/patient), require insurance authorization, and involve a high degree of patient management because of significant side effects or risk profiles. These medications treat a range of serious illnesses including psychiatric illness, substance use disorder, cancer, Hepatitis C, HIV, multiple sclerosis and rare genetic conditions. The medications can be difficult to obtain due to limited distribution and/or other unique requirements, which makes it challenging for retail pharmacies to provide and distribute these medications.

The ZSFG Pharmacy Department will recruit expert pharmacists to educate patients, conduct compliance monitoring and manage therapy-related issues. Trained specialty technicians will work with ZSFG clinics to obtain insurance authorization in a timely manner to avoid medication delays. This initiative also includes contracting with community Specialty Pharmacies to enable us to serve more patients and improve cost effective care with an expanded 340B network.

Secondly, the SFHN will increase pharmacy staffing at Laguna Honda Hospital and Jail Health Services. This is necessary to respond to and correct medication diversion issues at Laguna Honda and the increased pharmacy workload at the jail and LHH caused by Epic. At LHH, we require additional

pharmacy staff to implement corrections and increase oversight of medications to avoid any future infractions. In addition, Epic changed the workflow by requiring medications to be packaged daily rather than weekly as was the practice at LHH and JHS. Daily dispensing is an improvement that reduces the risk of medication diversion and meets regulatory standards.

IMPACT ON CLIENTS: (unit of service and/or number of clients affected)

A new specialty pharmacy will improve patient care for our patients with complex chronic conditions and/or rare diseases. In addition, all Laguna Honda Hospital residents and Jail Health patients will receive timely and appropriate medications.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

The estimated expense for FY 20-21 is \$3.3 million. This includes the cost of purchasing medications by the new ZSFG Specialty Pharmacy, staffing, adherence packaging equipment, and packaging and shipping costs to patients. The initiative costs will increase to \$8.2 million when it is fully operational in FY 21-22 when expenses are projected to increase with higher prescription volume and implementation of vendor agreements with external pharmacies. DPH projects it will generate sufficient revenues in both years to cover the costs.

IMPACT ON DEPARTMENT'S WORKFORCE:

The total positions needed to support both the new specialty pharmacy and expansion of staffing at LHH and JH will require 12.3 FTEs in the first year and annualizing to 16 FTEs in the second year.

ATTACHMENT B
SUMMARY OF PROGRAM COST

INITIATIVE TITLE: DPH Specialty Pharmacy & Regulatory Compliance

Description		FY 2020-21	FY 2021-22
Sources:			
	Revenues (ZSFG)	\$ 1,726,000	\$ 1,957,000
	Revenues (contract pharmacies)	\$ 1,607,986	\$ 6,319,925
Subtotal Sources		\$ 3,333,986	\$ 8,276,925
Uses:			
	Salary and Benefits	\$ 2,308,041	\$ 3,300,654
	Operating Expenses	\$ 733,500	\$ 4,976,271
	Equipment	\$ 292,445	\$ -
Subtotal Uses		\$ 3,333,986	\$ 8,276,925
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ -	\$ -
Total FTE's		12.32	16.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
2409	Pharmacy Technician	1.54	153,724	2.00	206,663
2450	Pharmacist	1.54	280,118	2.00	376,585
2119	Health Care Analyst	1.54	208,631	2.00	280,479
2454	Clinical Pharmacist	0.77	154,427	1.00	207,608
2450	Pharmacist	2.31	420,178	3.00	564,877
2409	Pharmacy Technician	3.08	307,448	4.00	413,326
2450	Pharmacist	0.77	140,059	1.00	188,292
2409	Pharmacy Technician	0.77	76,862	1.00	103,332

Total Salary	12.32	1,741,448	16.00	2,341,161
Fringe	32.5%	566,593	41.0%	959,493
Total Salary and Fringe	12.32	2,308,041	16.00	3,300,654

Character/Subobject Code

527000 Professional Services - Consultant	80,000	-
527000 Accreditation Fee	-	70,000
527000 Contract Pharmacy dispensing fees	170,000	520,000
527000 Third Party Administrator fees	127,500	650,000
540000 Packaging supplies	10,000	20,000
540000 Mailing/Courier Fees	15,000	30,000
540000 Marketing and other	20,000	25,000
540000 Specialty medications (ZSFG)	311,000	354,271
540000 Specialty medications (contract pharmacies)	-	3,307,000
	\$ 733,500	\$ 4,976,271

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

Compliance Packager	262,535
Blister Card Equipment	29,910
	292,445

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

☐ DPH – department wide ☐ Population Health ☒ SF Health Network Wide
☒ San Francisco General Hospital ☒ Laguna Honda Hospital ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **SFHN Quality Management Centralization and OCPA****Expansion**TARGETED CLIENTS: **SFHN Clients**PROGRAM CONTACT NAME/TITLE: **Troy Williams, Chief Quality Officer**

FY2020-21 FTE Change	FY 2021-22 FTE Cumulative Change	FY 2020-21 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
9.63	12.50	(\$2,028,321)	(\$2,662,895)

PROGRAM DESCRIPTION: (brief description of proposed change)

This initiative creates a centralized Quality Management (QM) Department for the San Francisco Health Network (SFHN), merging the QM departments of Laguna Honda Hospital (LHH) and Zuckerberg San Francisco General Hospital (ZSFG). It also expands our current Office of Compliance and Privacy Affairs with two additional staff to further ensure appropriate coverage of regulatory and legal patient protections that are essential to providing quality care.

JUSTIFICATION:

Several developments have created the need for a centralized and strengthened Quality Management function for the SFHN hospitals. These include medication diversion and staff misconduct at LHH, increased State regulations for reporting quality and compliance issues, and changes in workflows due to the implementation of Epic. The SFHN QM Department proposes an annualized 10.5 FTE increase and to centralize and integrate the two Quality Management Departments at LHH and ZSFG to accomplish the increased demands and make meaningful changes that ensure the safety of patients throughout the network.

Our previous QM model was a reactive and regulatory-focused. Because of QM's current staffing model, the investigative and analytical work falls to the hospitals' unit-based nursing leadership. That poses a conflict of interest, with Nurse Managers investigating events on the units they supervise. Additionally, it draws Nurse Managers away from their clinical and supervisory roles on their units.

The implementation of EPIC has added a layer of complexity to QM as workflows throughout LHH and ZSFG have changed. Quality Management's current staffing and practice model does not allow for proactive improvement work to address gaps as they are identified, creating a potential for safety and quality problems. The current budget proposal will embed quality professionals into the clinical areas to collaborate on improvement efforts with both front-line staff and leadership.

Additionally, the Centers for Medicare & Medicaid Services (CMS) regulations for reporting and investigating patient abuse have changed, resulting in a significant growth in QM work volume that the current staffing levels cannot fulfill.

Centralizing the Quality Management Department within the San Francisco Health Network will allow us to develop a more proactive and stronger quality focus that is collaborative and supportive to staff and leadership, and promotes our unwavering commitment to quality patient care.

Specifically, the centralized SFHN QM Department will:

- Standardize work for QM staff to ensure efficiency, deploying the right resources at the right place and right time. This is essential for a high-quality, proactive and supportive quality management team in a highly regulated patient care setting.
- Build an integrated framework that supports quality management participation in the accreditation process and provides timely measurement of quality improvement outcomes.
- Promote a collaborative approach between QM Department and multidisciplinary hospital teams to ensure systematic and continuous actions that lead to measurable improvement.

To support the efforts of the QM team, DPH will purchase a new Policy and Procedure software solution, to standardize policies throughout DPH to ensure timely review/revision and regulatory and accreditation compliance. This software solution will integrate with EPIC to ensure ease of use and access for staff.

In addition to augmenting QM staff, the department also proposes to expand the Office of Compliance and Privacy Affairs (OCPA) with two additional positions. OCPA implements ongoing efforts to improve and mitigate risks to the San Francisco Department of Public Health, and educates the workforce on adherence to regulatory requirements. Compliance and Privacy programs are regulatory requirements at the hospitals. OCPA is requesting two new positions:

1.0 FTE 1824 principle analyst to be a dedicated Privacy Officer to Zuckerberg San Francisco General Hospital. Currently, the ZSFG Compliance Officer also covers privacy matters as they arise. We are proactively increasing staffing to allow the ZSFG compliance program to increase its oversight while strengthening the privacy program's mitigation and education efforts.

1.0 FTE 2112 Medical Records Clerk to serve as an auditor for Laguna Honda Hospital's compliance program. OCPA has only one auditor for all DPH areas outside of Behavioral Health, which limits the scope and effectiveness of compliance efforts at Laguna Honda at a time when that oversight should be increasing.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

Creating a centralized Quality Management structure will maximize workforce efficiency, promote Quality Management integration between ZSFG and LHH, and improve the management of resources. This centralization will improve coordination, leading to sustained regulatory compliance and performance improvement resulting in improved care and clinical outcomes. We are also taking a proactive approach to ensure that the hospitals comply with regulations and protect patient privacy.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Expenditures will increase by \$2,028,321 in FY2021 and \$2,662,895 ongoing, including \$150,000 for a new electronic policy and procedures management system.

IMPACT ON DEPARTMENT'S WORKFORCE :

Increase by 9.63 FTEs in FY2021 and annualize to 12.5 FTEs ongoing.

ATTACHMENT B
SUMMARY OF PROGRAM COST

INITIATIVE TITLE: SFHN Quality Management Centralization and Office of Compliance and Privacy Affairs Expansion

Description		FY 2020-21	FY 2021-22
Sources:		\$ -	\$ -
Subtotal Sources		\$ -	\$ -
Uses:	Salary and Benefits	\$ 1,878,321	\$ 2,512,895
	Operating Expense	\$ 150,000	\$ 150,000
Subtotal Uses		\$ 2,028,321	\$ 2,662,895
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ (2,028,321)	\$ (2,662,895)
Total FTE's		9.63	12.50

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
2320	Registered Nurse	2.31	415,774	3.00	558,957
2591	Health Program Coordinator II	3.85	421,625	5.00	566,823
1822	Administrative Analyst	(1.00)	(105,647)	(1.00)	(109,362)
2591	Health Program Coordinator II	1.00	109,513	1.00	113,365
2324	Nursing Supervisor	(1.00)	(255,405)	(1.00)	(264,387)
942	Manager VII	1.00	220,153	1.00	227,896
2320	Registered Nurse	0.39	69,296	0.50	93,160
2591	Health Program Coordinator II	0.77	84,325	1.00	113,365
942	Manager VII	0.77	169,518	1.00	227,896
2324	Nursing Supervisor - Reassign from ZSFG to SFHN	(1.00)	(255,405)	(1.00)	(264,387)
2324	Nursing Supervisor	1.00	255,405	1.00	264,387
1824	Principal Administrative Analyst	0.77	109,753	1.00	147,549
2112	Medical Record Technician	0.77	66,588	1.00	89,519
Total Salary		9.63	1,305,493	12.50	1,764,779
Fringe		43.9%	572,828	42.4%	748,116
Total Salary and Fringe		9.63	1,878,321	12.50	2,512,895
Character/Subobject Code					
527000	QM P&P Management System		150,000		150,000

Initiative Number - B2**FY 2020-21 & 2021-22 Program Change Request****DIVISION:**

- ☐ DPH – department wide
 ☐ Population Health
 ☒ SF Health Network Wide
☐ San Francisco General Hospital
 ☐ Laguna Honda Hospital
 ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: Maternal Child and Adolescent Health Equity Programs

TARGETED CLIENTS: Expectant Black-African American mothers and young families

PROGRAM CONTACT NAME/TITLE: Ayanna Bennett, Office of Health Equity

FY2020-21 FTE Change	FY 2020-21 FTE Cumulative Change	FY 2021-22 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
1.27	1.5	\$550,619	\$587,473

PROGRAM DESCRIPTION: (brief description of proposed change)

Equity continues to be among the department's true north Lean strategic goals. For FY 2020-21 and 2021-22, DPH will be making investments in three programs, the Doula Access Project, the Abundant Birth Project and the Peri-Natal Equity program, all targeting severe health disparities for pregnant Black-African American Women, infants and young families.

JUSTIFICATION:

As part of our approach to eliminate racial health disparities, DPH must invest in innovative approaches. There are significant data showing that current services do not adequately deliver health benefits to Black-African Americans in particular. Both national research and local data show that the highest benefits would come from improving the health of pregnant women and young families. Families and communities of color have significant health disparities (pre term birth, maternal and infant mortality, childhood chronic disease and adverse childhood experiences) compared to the rest of San Francisco. DPH will begin supporting three programs through our Office of Health Equity and Maternal Child and Adolescent Health: the Perinatal Equity Initiative, the Doula Access Project and the Abundant Birth Program.

The first is the Doula Access Project which was initiated through a local CBO with startup funds from San Francisco Health Plan and California Pacific Medical Center to launch a doula program for women on Medi-Cal, focused on Black-African American and Pacific Islander women. DPH will invest \$200,000 to support its ongoing operations as these other sources expire. There is a current statewide effort to include these services in Medi-Cal funding, but bridge funding is needed. The program supports births at all local hospitals for the target high-risk populations.

The second is the Abundant Birth Project, an income supplement pilot program for Black-African American and Pacific Islander pregnant women. This program will be managed by Expecting Justice, a DPH-led collective impact project to eliminate the racial disparity in preterm births. Income supplements have been attempted with some success in other populations nationally, but have not been done in pregnant women. We believe that pregnancy is a particularly effective time to support families, both because of the impact on development and the increased expenses associated with pregnancy.

The Abundant Birth Project is aiming to serve 100 participants over two years (November 2020 - November 2022) and will provide approximately \$1,000 per month to Black and Pacific Islander pregnant women for 8 months. The proposed project has raised over \$525,000 in private funds and two other City agencies will collaborate on this project. The Human Services Agency will provide staffing to serve as project coordinators and community researchers. In addition, First 5 SF will also extend the income supplements for pilot participants by leveraging childcare subsidies for eligible until their child reaches kindergarten-age. DPH will also contribute an additional \$200,000 in general fund support to the program's launch. Through the combined City investment and current private fundraising, the Abundant Birth Project will increase the total participants in the Abundant Birth Project from 65 to 87. The goal is to reach enough funding for 100 participants with additional private funds.

Third, the Office of Health Equity is supporting a time-limited grant funded community outreach program as part of the state-funded Perinatal Equity program. The program will try to address birth outcome and health disparities includes the establishment of a digital community engagement platform that will provide direct communication between DPH programs and community. While the State will fund approximately \$400,000 for three years start-up costs, the Office of Health Equity will need a health program coordinator to expand the program to all DPH services (not only those related to pregnancy) and to continue the program after it is established.

Additionally a half time 9924 public health service aide position will be expanded to full time in the Office of Health Equity to support its existing efforts to create infrastructure and support a culture that expands and enhances our work within community health and workforce equity.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

These three programs are based on national models and will improve outcomes for the mothers, children and their families.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Increase of expenditures of \$550,619 in FY 2020-21 annually increasing to \$587,473 in FY 2021-22.

IMPACT ON DEPARTMENT'S WORKFORCE :

Increase of .77 FTE of a 2589 Health Program Coordinator I, annualizing to 1.0 FTE in FY 2021-22 and adds 0.5 FTE of a 9924 Public Service Aide annually.

INITIATIVE TITLE: Maternal Child and Adolescent Health Equity Programs

Description		FY 2020-21	FY 2021-22
Sources:		\$ -	\$ -
Subtotal Sources		\$ -	\$ -
Uses:	Salary and Benefits	\$ 150,619	\$ 187,473
	Operating Expense	\$ 400,000	\$ 400,000
Subtotal Uses		\$ 550,619	\$ 587,473
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ (550,619)	\$ (587,473)
Total FTE's		1.27	1.50

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
9924	Public Service Aide - Health Services	0.50	23,103	0.50	23,915
2589	Health Program Coordinator I	0.77	74,071	1.00	99,580
		0.00			
		0.00			
	Total Salary	1.27	97,174	1.50	123,495
	Fringe	55.0%	53,445	51.8%	63,978
	Total Salary and Fringe	1.27	150,619	1.50	187,473
Character/Subobject Code					
527000	Professional Services - Doula Services		200,000		200,000
540000	Professional Services - Abundant Birth		200,000		200,000
			\$ 400,000		\$ 400,000

2020-2022 Program Change Request

DIVISION:

☐ DPH – department wide
☒ Zuckerberg San Francisco
 General Hospital

☐ Population Health
☐ Laguna Honda Hospital

☐ SF Health Network Wide
☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: ZSFG Operations to Support Current Census

TARGETED CLIENTS: Inpatients at ZSFG

PROGRAM CONTACT NAME/PHONE: Susan Ehrlich, ZSFG CEO

2020-2021 FTE Change	2021-2022 FTE Cumulative Change	FY 2020-21 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
30.42	39.50	\$2,077,820	\$1,914,756

PROGRAM DESCRIPTION: (Brief description of Program Change)

Since the opening of the new Zuckerberg San Francisco General in 2016, the hospital has been running an above-budget inpatient hospital census. This initiative operationalizes 12 additional med-surge beds, adds permanent staffing in ancillary services and licensed psychiatric technicians in the emergency department to maintain support for the higher census. The increased operating expenditures are partially offset by liquidation of a project expenditures originally established to support surges in census.

JUSTIFICATION:

For the last several years, ZSFG has been running above budgeted census and is projected to remain at this level. This increased census results in additional operational cost. In FY 2017-18, DPH created a census project which created expenditure authority for increased costs due offset by corresponding increases in revenue. This project, however, did not create any permanent position authority to staff these needs. With the census remaining steady at ZSFG, DPH proposes to convert the project authority to operating expenditures with permanent position authority as follows:

First, ZSFG will create staffing in the H58 Medical/Surgical Unit sufficient to support an additional 12 beds on average. H58 is a surge unit that is opened at times of high census per ZSFG's policy regarding surge units. This initiative will add 17.1 FTE of 2320 Registered Nurses to staff these beds along with 5.2 FTE 2328 Nurse Practitioner to provide clinic support to these beds and other areas of the hospital. This staffing level assumes that 12 of the unit's 15 beds will be occupied over the course of a year, although census in the unit at any given time will vary based on the hospital's need. Budgeting an average of 12 additional M/S beds in unit H58 would also improve patient flow within Intensive Care Units, Post Anesthesia Care and the Emergency Department the hospital and ensure that patients are at the most appropriate level of care.

Second, DPH will add permanent staffing for Ancillary Services to maintain the additional space, see to patient needs, and efficiently prepare and turnover beds. Food service will add 1.0 FTE 2618 Food Service Supervisor, 1.0 FTE 2604 Food Service Worker, 1.0 2471 Radiologic Technologist I, II, III, and 1.0 FTE 2624 Dietitian. Environmental Services will add 4.0 FTE 2736 Porters, 2.0 FTE 7524 Utility workers and 2.0 FTE 2586 Health worker IIs.

Finally, the Emergency Department will add 5.2 FTE 2604 Licensed Psychiatric Technicians (LPTs) to closely monitor behavioral patients and intervene as needed. These additional positions will

help ZSFG comply with hospital policy Administrative Policy Number 1.19, where high-risk behavioral patients must be observed at a 1:1 ratio and appropriately consult when necessary.

IMPACT ON CLIENTS: (unit of service and/or number of clients affected)

This will allow to ZSFG to continue to provide access to quality services to its clients within budget .

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

The operating budget will increase by \$6,433,820 million in FY 20-21 and annualize to \$8,514,756 in FY 21-22. These costs will be offset by \$4,356,000 in the census project in the first year, increasing to \$6,600,000 in FY 21-22.

IMPACT ON DEPARTMENT'S WORKFORCE:

Increase in 30.42 FTES in BY and 39.5FTEs in BY+1 to increase the number of permanent hires and reduces the use of temporary and registry staffing.

INITIATIVE TITLE: ZSFG Operations to Support Current Census

Description		FY 2020-21	FY 2021-22
Sources:		\$ -	\$ -
Subtotal Sources		\$ -	\$ -
Uses:	Salary and Benefits	\$ 6,287,675	\$ 8,418,427
	Operating Expense	\$ (4,240,500)	\$ (6,425,000)
Subtotal Uses		\$ 2,047,175	\$ 1,993,427
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ (2,047,175)	\$ (1,993,427)
Total FTE's		30.42	39.50

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
2320	Registered Nurse	13.17	2,369,913	17.10	3,186,056
2328	Nurse Practitioner	4.00	962,226	5.20	1,293,595
2305	Psychiatric Technician	4.00	367,003	5.20	493,389
2736	Porter	3.08	210,120	4.00	282,480
2604	Food Service Worker	0.77	47,796	1.00	64,256
7524	Institution Utility Worker	1.54	100,346	2.00	134,903
2586	Health Worker II	1.54	114,156	2.00	153,469
2471	Radiologic Technologist I, II, III	0.77	114,735	1.00	154,247
2618	Food Service Supervisor	0.77	58,897	1.00	79,180
2624	Dietitian	0.77	78,950	1.00	106,138
Total Salary		30.42	4,424,142	39.50	5,947,713
Fringe		42.1%	1,863,532	41.5%	2,470,714
Total Salary and Fringe		30.42	6,287,675	39.50	8,418,427

Character/Subobject Code			
54000	Materials and Supplies	115,500	175,000
506000	Project Expenditures	(4,356,000)	(6,600,000)
		\$ (4,240,500)	\$ (6,425,000)

FY 2020-21 & 2021-22 Program Change Request

DIVISION:

☒ DPH – department wide ☐ Population Health ☐ SF Health Network Wide
☐ San Francisco General Hospital ☐ Laguna Honda Hospital ☐ Ambulatory Care _____

PROGRAM / INITIATIVE TITLE: **Investments in DPH Human Resources**

TARGETED CLIENTS: All DPH Clients

PROGRAM CONTACT NAME/TITLE: Michael Brown, DPH HR Director

FY2020-21 FTE Change	FY 2020-21 FTE Cumulative Change	FY 2021-22 General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
15.40	20.00	\$2,721,482	\$3,819,833

PROGRAM DESCRIPTION: (brief description of proposed change)

This initiative strengthens DPH's human resources (HR) infrastructure with an additional 20 Full Time Equivalent (FTEs) employees to ensure sufficient support for our workforce and our services. Through its strategic planning process, DPH has identified HR improvements as a top priority, including accelerating hiring times, staff retention and improving employee experience. These positions will replace approximately seven existing temporary staff and provide additional support for HR services within the department. This investment will increase the number of permanent hires and reduce vacancies to support programs with regulatory requirements such as Zuckerberg San Francisco General, Laguna Honda Hospital and Jail Health, as well as make timely, permanent hires and fill critical vacancies in Behavioral Health and other divisions. In addition, it will build administrative infrastructure needed to execute on key new priorities such as Mental Health SF.

JUSTIFICATION:

As of FY 2019-20, DPH has almost budgeted 7,000 full time equivalent budgeted (FTE) employees and currently has 117 HR staff including labor, payroll, operations, equal opportunity and disability accommodation management, workforce development and merit and examinations. This ratio is insufficient to meet the department's operational needs. To meet the needs of our workforce, we propose increases in HR as follows:

HR Operations – 4.0 FTE 1204 Senior Personnel Clerks, 2.0 FTE 1221 Human Resource Analysts, 1.0 FTE Senior Human Resource Analysts and 1.0 FTE 0923 Manager II for Laguna Honda Hospital.

The Operations Division supports hiring managers in processing new hires, promotions, reassignment, leaves administration and separations for the department. The proposed analysts and personnel clerks are required to keep HR processes moving at an adequate pace. In addition, we are requesting a 1.0 FTE Manager to oversee HR operations at LHH. Currently there is one operations manager supporting all divisions except for ZSFG.

HR Labor – 6.0 FTE 1244 Senior Human Resources Analysts, 4.0 FTE – 1246 Principle Human

Resource Analysts

The Labor Division is responsible for advising department management and staff on Civil Service Rules, provisions of the various Memorandum of Understandings, resolving issues at the lowest possible level, representing the Department in grievances, mediation and other labor matters. These functions are key building blocks to improve the work environment, support and retain the department's workforce, and ensure DPH is a great place to work. In addition to their labor duties, the managers will be patient abuse investigators and familiar with regulatory requirements at each hospital facility.

Payroll – 2.0 FTE 1220 Payroll and Personnel Clerks

This additional FTE will provide adequate staffing to support payroll functions for the increased number of employees providing needed services.

In addition to staffing increases within the department, DPH will also be receiving support from the City's Department of Human Resources (DHR) to support hiring, recruitment, onboarding and other HR needs. DHR has agreed to partner with DPH to support initiatives to reduce hiring times and other process improvements. This services will be funded via a workorder with DHR with annual costs of approximately \$240,000.

IMPACT ON CLIENTS: (units of service and/or number of clients affected, if applicable)

The investments will ensure that both clinical and non-clinical operations department pwide are adequately supported within HR, to minimize hiring delays, retain current staff, and create a support system for supervisors and managers.

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Increase of \$2,721,482 in FY FY20-21 increased to \$3,819,833 annually.

IMPACT ON DEPARTMENT'S WORKFORCE:

Annual increase of 20 FTE.

ATTACHMENT B
SUMMARY OF PROGRAM COST

INITIATIVE TITLE: Investments in DPH Human Resources

Description		FY 2020-21	FY 2021-22
Sources:		\$ -	\$ -
Subtotal Sources		\$ -	\$ -
Uses:	Salary and Benefits	\$ 2,479,899	\$ 3,568,987
	Operating Expense	\$ 241,583	\$ 250,846
Subtotal Uses		\$ 2,721,482	\$ 3,819,833
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)		\$ (2,721,482)	\$ (3,819,833)
Total FTE's		15.40	20.00

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

<u>Class</u>	<u>Title</u>	<u>FTE</u>		<u>FTE</u>	
Operations					
923	Manager II	0.77	118,105	1.00	158,777
1204	Senior Personnel Clerk	3.08	259,239	4.00	348,515
1241	Human Resources Analyst	1.54	170,632	2.00	230,507
1244	Senior Human Resources Analyst	0.77	99,546	1.00	134,477
Labor					
1244	Senior Human Resources Analyst	0.77	99,546	1.00	134,477
1246	Principal Human Resources Analyst	3.08	472,386	4.00	638,144
1244	Senior Human Resources Analyst	3.85	497,728	5.00	672,383
Payroll					
1220	Payroll and Personnel Clerk	1.54	128,668	2.00	172,979
Total Salary		15.40	1,845,848	20.00	2,490,257
Fringe		34.4%	634,051	43.3%	1,078,730
Total Salary and Fringe		15.40	2,479,899	20.00	3,568,987
Character/Subobject Code					
527000	Professional Services		-		-
581000	Workorder with DHR		231,583		240,846
540000	Materials and Supplies		10,000		10,000
			\$ 241,583		\$ 250,846

2020-21 and 2021-22 Program Change Request

DIVISION:

- ☒ DPH – department wide
 ☐ Population Health
 ☐ SF Health Network
☐ Zuckerberg San Francisco General Hospital
 ☐ Laguna Honda Hospital
 Wide / Managed Care
☐ Ambulatory Care: Primary Care

PROGRAM / INITIATIVE TITLE: **DPH Pharmaceuticals and Materials and Supplies Inflation**

TARGETED CLIENTS: SFHN Clients

PROGRAM CONTACT NAME: David Woods and Jenny Louie

2020-21 FTE Cumulative Change	2021-22 FTE Cumulative Change	FY 2020-21 Cumulative Net General Fund Impact Favorable/(Unfavorable)	FY 2021-22 Cumulative Net General Fund Impact Favorable/(Unfavorable)
-	-		-\$6,958,921)

PROGRAM DESCRIPTION: (Brief description of Program Change)

This initiative requests annual inflationary adjustments for expenses critical to network operation. This adjustment is critical to ensuring that DPH is able to continue to provide services and treatments to its patients. The department projects cost increases of 9% for pharmaceuticals, 3% for food and 3.2% for laundry & linen costs.

JUSTIFICATION:

Market dynamics over the past 5 years have been shifting in a way that has caused the pricing of certain pharmaceuticals to rise at an extraordinary rate. Projected nation-wide increases in drug expenditures of 7-10% are consistent among all settings. Primary causes for increase in expenditures include:

- Specialty Drugs are forecasted to be 50 percent of all drug expenditures in 2021. Novel, very expensive specialty treatments for conditions that previously had either limited to no medication therapy options are continually being approved. The therapeutic drug classes with the largest increases include autoimmune disorders, mental health, HIV and oncology.
- Increased utilization of medications: Prescription utilization is increasing as older patients live longer and healthier lives. Patients over 50 years of age are responsible for 77 percent of prescription growth since 2011. Categories making an impact on drug spend due to increased utilization include diabetes, inflammatory conditions, asthma and cardiovascular diseases.

The net result of factors that will increase and decrease drug costs at DPH are projected to lead to an overall increase in the cost of pharmaceuticals for the department of 9% in FY 2021-22. DPH will continue to utilize tight drug formulary control and aggressive use of lower cost generic drugs to help offset increases in expense.

In addition DPH continues to leverage discounts for its food purchase, it expects a 3% increase in food costs in next fiscal year. Finally, laundry and linen costs will rise by 3.2%.

IMPACT ON CLIENTS: (unit of service and/or number of clients affected)

None

EXPENSE AND REVENUE IMPACT: (for both fiscal years)

Expenditure increase in FY 2020-21 of \$6,002,341 for pharmaceuticals, \$281,991 for food and \$118,185 for laundry and linen.

IMPACT ON DEPARTMENT'S WORKFORCE:

None

ATTACHMENT B
SUMMARY OF PROGRAM COST

INITIATIVE TITLE: DPH Pharmaceuticals and Materials and Supplies Inflation

Description	FY 2020-21	FY 2021-22
Sources:	\$ -	\$ -
Subtotal Sources	\$ -	\$ -
Uses:		
Operating Expenses	\$ -	\$ 6,958,921
Subtotal Uses	\$ -	\$ 6,958,921
Net GF Impact Favorable/ (Unfavorable) (Sources less Uses)	\$ -	\$ (6,958,921)
Total FTE's	n/a	n/a

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

<u>Class</u>	<u>Title</u>	FTE	FTE
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Operating Expenses

Character/Subobject Code	FY 20-21	FY 21-22
544610 Pharmaceutical Supplies - ZSFG		3,554,985
544610 Pharmaceutical Supplies - LHH		1,264,926
544610 Pharmaceutical Supplies - Jail Health		318,449
544610 Pharmaceutical Supplies - Primary Care		268,488
544610 Pharmaceutical Supplies - Primary Care		24,516
544610 Pharmaceutical Supplies - CBHS		504,216
527000 Pharmaceutical Supplies - CBHS		606,972
546990 Food (LHH)		139,717
546990 Food (ZSFG)		150,734
527000 Laundry Services & Linen (LHH)		66,993
527000 Laundry Services & Linen (ZSFG)		58,926

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