

**HEALTH COMMISSION**  
**City and County of San Francisco**  
**Resolution No. 10-05**

**Resolution in Opposition to California Medicaid Hospital Financing Waiver Currently Under Negotiations with the Federal Government**

WHEREAS, there is a health care crisis in California, with 6.5 million uninsured people in need of health care; and

WHEREAS, San Francisco General Hospital is a safety net hospital which provides a full range of acute and intensive care medical services to inpatients, trauma and emergency patients, and outpatients specializing in health care delivery programs not otherwise available in the community; and

WHEREAS, San Francisco General Hospital is dependent upon Medi-Cal (Medicaid) reimbursement for its financial viability and stability, which comprises over 36% of the hospital's revenues; and

WHEREAS, today's level of State and federal funding is insufficient even to continue to maintain the current level of needed services; and

WHEREAS, the State of California is negotiating with the federal government for a five-year Medicaid waiver to restructure safety net hospital financing, to replace the current waiver that expires June 30, 2005; and

WHEREAS, the Health Commission supports Governor Schwarzenegger's goal to stabilize the safety net and increase federal funding to California's public safety net hospitals; and,

WHEREAS, a successful waiver will stabilize the safety net, hold harmless each public and private safety net hospital, and create growth in funding to allow these hospitals to meet the demand for care by the uninsured, indigent, Medi-Cal and other patients; and

WHEREAS, a successful waiver will not freeze funding for safety net hospitals; and

WHEREAS, a successful waiver will include mechanisms to draw down the full value of available federal funding to support safety net hospitals; and

WHEREAS, the current version of the waiver under negotiations does not meet the criteria described here and does not ensure that the State's goals will be achieved; and

WHEREAS, the contents of the waiver is changing quickly and counties have not been able to determine its impact on their public hospitals, posing great risk to those hospitals and all other county services; and

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**Resolution No. 10-05 (Cont'd.)**

WHEREAS, a waiver that does not stabilize the safety net and guarantee growth for public and private safety net hospitals will make California's health care crisis worse by disabling the institutions that operate on its front lines, and San Francisco County will not be able to make up for a diminution of State or federal funds to maintain the operation of a public safety net hospital; now, therefore, be it

RESOLVED, that the Health Commission supports the State of California in its efforts to accomplish an agreement with the federal government that will stabilize and provide funding of the safety net hospitals through a comprehensive hospital financing waiver currently valued at nearly \$700 million in additional federal funds in its initial year; and, be it

FURTHER RESOLVED, that the Health Commission cannot support a waiver that:

- a. Does not provide safety net hospitals assurance of adequate, stable funding with reasonable growth over the waiver's five-year term;
- b. Has not been fully evaluated, poses a significant risk to safety net hospitals, and/or would result in cuts in public hospital services; and
- c. Is linked to the implementation and expansion of managed care.

I hereby certify that the San Francisco Health Commission at its meeting of June 21, 2005 adopted the foregoing resolution.

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Michele M. Seaton  
Executive Secretary to the Health Commission