

**HEALTH COMMISSION**

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 32-94

**URGING THE MAYOR AND BOARD OF SUPERVISORS  
TO SEEK ALTERNATIVE FUNDING TO ADDRESS THE STATE  
REVENUE SHORTFALL**

WHEREAS, the Department of Public Health proposed a balanced budget for 1994-95 through a combination of revenue enhancements, operating/administrative reductions, structural reorganizations and service reductions; and,

WHEREAS, the Department aggressively sought revenue enhancements in the amount of \$26.1 million to avoid service reductions; and,

WHEREAS, the California Legislature has adopted several revenue shift and budget reduction proposals in order to balance the State's 1994-95 fiscal year budget; and ,

WHEREAS, these various State proposals will result in a \$14 million revenue shortfall for health services in the City and County of San Francisco and effectively place the City's budget in jeopardy; and,

WHEREAS, the Department of Public Health has been able to internally absorb \$2.36 million of the \$14 million revenue shortfall and that the remaining revenue shortfall is \$11.64 million; and,

WHEREAS, fully absorbing the remaining \$11.64 million State revenue shortfall within the Department's current general fund allocation would result in drastic service reductions in primary care, outpatient and patient support services at San Francisco General Hospital, mental health services and community public health services and these reductions would be disproportionately borne by the County's most vulnerable populations; and,

WHEREAS, the Department has already proposed general fund service reductions in the amount of \$3.1 million in community public health and mental health services; and,

WHEREAS, additional service reductions further erode the limited service capacity to vulnerable populations at risk for poor health outcomes, run counter to the strategic direction adopted by this Commission, and compromise the Department's ability to compete under managed care; and

WHEREAS, if the Department absorbed the entire \$11.64 million, the City and County would also lose an additional \$ 8.94 million in other federal and state funds which are tied to service provision and, therefore, the total health service reduction for the City and County would be \$20.6 million; and,

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WHEREAS, the Department would be forced to eliminate 184.5 positions if it, alone, absorbed the State revenue loss; and,

WHEREAS, \$3.9 million of the \$11.64 million revenue shortfall is due to increased County obligation for transfer payments under the California Inpatient Medi-Cal Disproportionate Share Payment Adjustment Program (SB 855) which supplements Medi-Cal payments to county acute care hospitals and which provide disproportionate amounts of health care services to the Medi-Cal population and the indigent; and,

WHEREAS, in 1993-94, the City and County of San Francisco transferred \$56.9 million and received \$86.2 million for a net gain of \$29.3 million in SB 855 funds for San Francisco General Hospital and the City and County would be required to contribute an additional \$3.9 million in 1994-95 to maintain its \$29.3 million net revenue at San Francisco General Hospital; and,

WHEREAS, all residents of the City and County of San Francisco depend upon the Department as a provider of trauma services, specialty and tertiary care services which are in part supported by SB 855 revenues; and,

WHEREAS, reductions in State revenues are inherently countywide issues which should be addressed from this perspective to maintain an essential safety net for the most vulnerable segments of our population; therefore, be it,

RESOLVED, that the Health Commission finds that additional service reductions are in conflict with the Mission Statement adopted by this Commission (Resolution No. 6-94); and be it,

FURTHER RESOLVED, that the Health Commission endorses the treatment of State revenue shortfall as a City and County responsibility distinct from the Department's 1994-95 general fund budget; and, be it,

FURTHER RESOLVED, that the Health Commission encourages the Mayor's Office, Board of Supervisors and the Controller's Office to seek alternative funding sources to address this additional City and County obligation in order to avoid additional health service reductions; and, be it

FURTHER RESOLVED, should additional general fund revenues be allocated to help alleviate this crisis in San Francisco's health service funding, our priorities for restoration are the following:

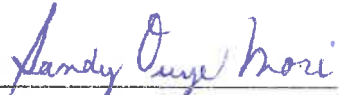
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1. The restoration of all items critical to the City's safety net medical service provision, including the preservation of outpatient care and inpatient services and access programs such as translator, counseling, and education services at San Francisco General Hospital, funding for health centers, clinic services and full psychiatric emergency services.
2. Restoration of community mental health programs, substance abuse programs, and homeless programs which serve the most disadvantaged populations.
3. Restoration of all public health nursing services, dental services, and poison control center.

I hereby certify that the foregoing resolution was adopted by the Health Commission at its special meeting of Tuesday, July 12, 1994.



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Sandy Ouye Mori  
Executive Secretary to  
the Health Commission