

**HEALTH COMMISSION**  
**CITY AND COUNTY OF SAN FRANCISCO**  
RESOLUTION NO. 17-95

**OPPOSING REDUCTIONS IN MEDICAID  
AND MEDICARE, AND PROPOSED BLOCK GRANTS**

WHEREAS, Congress is currently debating budget reductions which will have a significant impact on health and social service programs; and,

WHEREAS, Congressional discussions have focused on health and welfare block grant proposals which will significantly alter federal, state, and county roles; and,

WHEREAS, these changes would shift costs to the county level, compounding current budget deficits and increasing the number of unsponsored patients; and,

WHEREAS, California already suffers from a low Medi-Cal reimbursement rate, where we spend \$601 per Medi-Cal child, approximately 40% less than the national average and, where we spend \$4,929 per Medi-Cal elder, approximately 45% less than the national average of \$8,704; and,

WHEREAS, the current Senate budget proposal includes a reduction in Medicare spending by \$256 billion and Medicaid by \$175 billion. The House budget proposes to reduce Medicare by \$283 billion, Medicaid by \$184 billion and cut discretionary health spending by \$86.7 billion over the next seven years; and,

WHEREAS, these health cuts contribute nearly 48% of the \$961 billion in proposed total deficit reductions by the year 2002; and,

WHEREAS, current budget proposals for Medicaid and Medicare reductions will jeopardize the viability of our safety net structure, by reducing and capping total funds available and denying need based growth; and,

WHEREAS, costs associated with Medicaid have risen approximately 11% per year, and where the Congressional budget assumes that the Medicaid growth rate will be reduced to 4% per year; and,

WHEREAS, 1990 census data indicates that 12.7% of San Francisco residents are living below poverty, and 30.1% or 213,700 individuals are living below 200% of poverty; and,

WHEREAS, these individuals use traditional safety net providers including San Francisco General Hospital, Department of Public Health, and community clinics to receive medical care; and,

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**RESOLUTION NO. 17-95 (Cont'd.)**

WHEREAS, the abrogation of federal responsibility to support these individuals will result in reduced funding to states to care for the current Medi-Cal population and reduced funding for the growing medically indigent population; and,

WHEREAS, the Department of Public Health and other traditional safety net providers, are deeply concerned that proposed changes will threaten the quality and access to care for those who rely on our local health system, now, therefore; be it

RESOLVED, that the San Francisco Health Commission opposes reductions in the Medicaid and Medicare programs, and specifically opposes the conversion of Medicaid funding into block grants and, be it

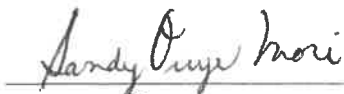
FURTHER RESOLVED, that if these reductions are implemented, certain principles must be followed while restructuring these programs; and, be it

FURTHER RESOLVED, that the San Francisco Health Commission identifies the following principles to serve as guidelines for the development of Medicaid block grant programs:

1. Local government, including health departments, must be involved in the decisions regarding the allocation of Medicaid Block Grant funds within States.
2. Decisions regarding resource allocation should be based on principles of equity and local needs assessments.
3. Formula allocations must include consideration of traditional safety net providers.
4. Provisions should be made for direct funding of innovative service delivery models and/or exceptional health status problems; and, be it

FURTHER RESOLVED, that the San Francisco Health Commission urges the Mayor to instruct our State and Federal advocates to take all action necessary to pursue these principles in the development of any block grant proposals.

I hereby certify that the foregoing resolution was adopted by the Health Commission on Tuesday, June 20, 1995.



Sandy Ouye Mori  
Executive Secretary to  
the Health Commission