



London N. Breed,  
Mayor

Jenny Louie,  
Chief Financial Officer

### MEMORANDUM

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

Through: Dr. Grant Colfax, Director of Health  
Greg Wagner, Chief Operating Officer

From: Jenny Louie, Chief Financial Officer

Date: February 3, 2023

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At the February 7<sup>th</sup> Commission meeting we will have the second hearing on the Department of Public Health (DPH)'s proposed budget for FY 2023-24 and FY 2024-25 (FY 2023-25). As you recall, our first hearing on January 17<sup>th</sup> included an overview of the Department's base budget, the Mayor's Budget instructions and reduction targets, and key areas of focus for the two upcoming fiscal years. In this second hearing, we will present our proposed budget submission, including revenues and emerging needs. We are respectfully requesting Commission approval of these initiatives for submission to the Controller and Mayor's Office.

As discussed in the first Health Commission meeting on the FY 2023-25 budget, the Department's proposal focuses on maximizing revenue to meet general fund targets as well as support long-term financial stewardship. By leveraging revenues and limiting new initiatives, this proposal enables the Department to meet the two-year reduction targets, maintain service levels, and focus on full and effective implementation of new initiatives already funded as part of the prior budget process. The proposal includes limited program expansions, primarily through revenue-neutral opportunities that allow DPH to expand or strengthen services without requiring additional general fund resources. In addition, the proposal makes investments in the operations of Laguna Honda Hospital to sustain key strategies identified as part of the recertification process.

#### *I. Baseline Revenues Initiatives*

*A1 - Baseline Revenues for the San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG):* This initiative updates the assumptions related to patient revenues at SFHN and ZSFG. Baseline revenues are projected to increase by \$55.1 million in FY23-23 and \$39.8 million ongoing.

Net General Fund Impact: FY 2023-24 (\$55,125,199) FY 2024-25 (\$39,830,735)

*A2 - Expansion of Fee for Service (FFS) Payment Model at ZSFG:* This initiative recognizes increased revenue as a result of expanding the FFS payment model for ZSFG services starting in January 2023. The expansion affects how DPH bills and receives

payment from the SFHP, but does not affect the way services are delivered to patients and there should not result in changes or delays in seeking treatment or services.

Net General Fund Impact: FY 2023-24 (\$36,618,916) FY 2024-25 (\$36,917,326)

*A3 – Behavioral Health Baseline Revenues and Quality Assurance/Utilization Review:* Based on State projections, 2011 Realignment will increase by \$8.3 million in FY23-24 and \$7.4 million ongoing with an additional \$6.3 million one-time increase in FY23-24 and \$700K ongoing in Short-Doyle Medi-Cal for Behavioral Health Services. In addition, the initiative adds 7.0 FTE for Quality Assurance and Utilization Review activities for additional \$600K in Quality Assurance Medi-Cal in FY23-24 and \$700K ongoing.

Net General Fund Impact: FY 2023-24 (\$14,510,928), FY 2024-25 (\$7,681,051)

*A4– Population Health Revenues:* Backfills losses in Population Health Division for expiring grants and reduced fee revenues.

Net General Fund Impact: FY 2023-24 \$502,325, FY 2024-25 \$665,226

*II. Revenue Neutral and Emerging Needs*

*B1 - Integrating COVID-19 Response Functions into Ongoing Operations:* As part of last year’s FY 2022-24 budget, DPH proposed a continued step down of its COVID-19 response and operating costs with \$57 million budgeted for FY 2022-23 and \$25 million ongoing starting in FY 2023-24. A portion of the base \$25 million was programmed last year for 58.0 new FTE across the department. This initiative details the full \$25 million of COVID-19 response and operating costs including the creation of an additional 42.5 FTE annually with the remaining unexpended authority. These investments provide baseline services and costs to prevent further exacerbation of health disparities, continued capacity at PHD and the SFHN to respond to the risk represented by the presence of endemic COVID and other emerging diseases in the future.

| Area of Response                         | FY 2022-23   | FY 2022-23        | FY 2023-24  | FY 2023-24        | FY 2024-25  | FY 2024-25        |
|------------------------------------------|--------------|-------------------|-------------|-------------------|-------------|-------------------|
|                                          | FTE          |                   | FTE         |                   | FTE         |                   |
| <b>Info &amp; Guidance</b>               | 5.6          | 800,000           | 3.0         | 900,000           | 3.0         | 900,000           |
| <b>Equity &amp; Community Engagement</b> | 9.4          | 3,000,000         | 5.8         | 1,000,000         | 6.0         | 1,000,000         |
| <b>Testing</b>                           | 9.8          | 12,300,000        | 5.5         | 4,700,000         | 7.0         | 4,700,000         |
| <b>SIP Hotels</b>                        | 1.5          | 300,000           | -           | -                 | -           | -                 |
| <b>Epi &amp; Surveillance</b>            | 7.2          | 1,000,000         | 5.8         | 1,000,000         | 6.0         | 1,000,000         |
| <b>Isolation &amp; Quarantine</b>        | 16.6         | 2,900,000         | 1.8         | 300,000           | 2.0         | 300,000           |
| <b>Vaccination</b>                       | 23.4         | 7,500,000         | 7.0         | 3,100,000         | 8.0         | 3,100,000         |
| <b>Covid Resource Center</b>             | 11.9         | 1,700,000         | 2.0         | 600,000           | 2.0         | 600,000           |
| <b>Operations</b>                        | 44.5         | 8,000,000         | 3.0         | 400,000           | 3.0         | 400,000           |
| <b>Subtotal Population Health</b>        | <b>129.9</b> | <b>37,500,000</b> | <b>33.9</b> | <b>12,000,000</b> | <b>37.0</b> | <b>12,000,000</b> |
| <b>Ambulatory Care</b>                   | 29.4         | 3,900,000         | 15.8        | 2,300,000         | 20.0        | 2,300,000         |
| <b>ZSFG</b>                              | 63.6         | 11,302,090        | 31.3        | 8,900,000         | 32.5        | 8,900,000         |

|                     |              |                   |             |                   |              |                   |
|---------------------|--------------|-------------------|-------------|-------------------|--------------|-------------------|
| <b>Laguna Honda</b> | 15.0         | 4,838,431         | 11.0        | 1,800,000         | 11.0         | 1,800,000         |
| <b>Total</b>        | <b>237.5</b> | <b>57,540,521</b> | <b>92.0</b> | <b>25,000,000</b> | <b>100.5</b> | <b>25,000,000</b> |

As this placeholder was appropriated as part of the prior year budget, this initiative does not result in any net change revenue or expense, beyond the costs already assumed in the base.

Net General Fund Impact: FY 2023-24 \$0, FY 2024-25 \$0

*B2 – Mental Health Services Act for Program Continuity and Expansion to Address Health Equity and Overdose Prevention:* Based on State projections, DPH will appropriate \$32.0 million, which includes one-tru of prior year actuals, in FY 22-23 and \$17.7 million ongoing. These funds will be used to ensure the continuity of existing MHSA programming; support new, innovative and culturally congruent services to meet the pressing needs of the Black/African American community and mental health support for birthing people who are Black-Identified. In addition, one-time capital and reserve needs will utilize additional funds in FY 22-23 to ensure that these MHSA funds are utilized to maximize behavioral health services, and do not revert back to the State if unspent.

Net General Fund Impact: FY 2023-24 \$0, FY 2024-25 \$0

*B3 – Expansion of Endoscopy Services and Trauma:* This initiative will add staffing to increase Endoscopy rooms to a total of 3 to serve an additional 2,000 patients per year. Additionally, this initiative seeks to hire a 1.0 FTE RN and a 1.0 FTE Health Care Analyst to support performance improvement and injury prevention to maintain compliance with regulations and updated standards. The new standards include several new expectations in staffing, quality, data management, resource availability, care protocols and operational processes.

Net General Fund Impact: FY 2023-24 (\$180,254), FY 2024-25 (\$317,157)

*B4 – CalAIM Enhanced Care Management Expansion for People At-Risk of Institutionalization and Justice-Involved People:* This initiative expands the Enhanced Care Management (ECM) services under the California Advancing and Innovating Medi-Cal (CalAIM) program. Staffing will be added as the State has recently expanded its focus population to people at risk of institutionalization. In addition, the department will expand existing ECM services under its Whole Person Integrated Care Program. Finally, it adds one position in anticipation of a planned expansion sometime in 2024 for justice involved population. Overall this initiative increases ECM capacity by 12.0 FTE.

Net General Fund Impact: FY 2023-24 \$0, FY 2024-25 \$0

*B5 – Investments to Sustain Improvements at Laguna Honda Hospital (LHH):* This initiative supports the recertification effort of Laguna Honda Hospital. The recertification action plan submitted to the Centers for Medicare and Medicaid services (CMS) includes substantial improvements and process changes across the organization. To meet the goals of the action plan, LHH proposes to add 14.0 FTE in key areas including education and training for staff, patient care experience, medication management, as well as leadership within the SFHN to improve oversight and coordination of LHH with the rest of the

network. As recertification efforts are still in process, it is possible additional needs may be identified as the work continues.

Net General Fund Impact: FY 2023-24 \$1,950,390, FY 2024-25 \$2,500,547

### *III. Inflationary Costs and Other Costs Assumed as Part of Citywide Deficit*

The following initiatives are assumed as part of the deficit and will not affect the department's general fund target.

*C1 – University of California San Francisco (UCSF) Affiliation Agreement Costs:* This initiative requests annual adjustments to the long-standing Affiliation Agreement with UCSF for physician, clinical and ancillary services at Zuckerberg San Francisco General Hospital Medical Center. The proposed increase for FY 2023-24 is \$2.9 million and \$18.6 million for FY24-25.

Net General Fund Impact: FY 2023-24 \$2,910,827, FY 2024-25 \$18,682,165

*C2 - DPH Pharmaceuticals and Materials and Supplies Inflation:* This initiative requests annual inflationary adjustments for expenses critical to network operations. This adjustment is critical to ensuring that DPH can continue to provide services and treatments to its patients. The department projects cost increases of 10% for pharmaceuticals and 11% for food. These proposed increases amount to \$10,892,880 for FY 2024-25. Inflationary adjustments were already approved and included in the FY 2023-24 base budget as part of last year's budget process.

Net General Fund Impact: FY 2023-24 \$0, FY 2024-25 \$10,980,082

### *IV. Other Potential Programming*

This submission represents the first phase of the budget process. Many additional changes are certain in the coming months. DPH is committed to addressing the pressing mental health and substance use needs facing San Francisco's most vulnerable residents. Work will continue this spring to finalize plans to implement various Behavioral Health Services (BHS) programs, as outlined below, given the high priority of these critical issues for the Mayor's Office and the Board of Supervisors.

1. Adjustments to the Our City, Our City Home Proposition C Fund (Prop. C) – Similar to prior years, the budget for programs funded under Prop. C will be updated this spring in partnership with the Mayor's Office with input from the Prop. C oversight committee. It is important to note that in November 2022, the Controller's Office projected revenue declines in the fund representing on average about \$25-\$35 million of the approximate \$100 million annual spending plan. While one-time savings from prior years are available to cover the shortfall in the near term, a long-term plan to maintain support for these programs is needed should the shortfall persist. In the meantime, the Mayor's Office has not instructed departments to stop implementation of programs.
2. Piloting the CARE Courts Program - The State is piloting a new Community Assistance, Recovery and Empowerment (CARE) Court which would connect clients struggling with

untreated behavioral health issues with a court-ordered Care Plan for up to 24 months. Under this pilot, BHS will be responsible for the clinical evaluation of clients, who may be referred by a family member, health provider, or other community member with knowledge of their medical history. The Department must engage referred clients and, for those who are eligible, either reach a voluntary treatment agreement with them or develop a CARE Plan for review and adoption by a court order.

San Francisco has agreed to be part of the first cohort of counties implementing CARE Court, beginning October 2023. BHS is working with the Mayor's Office to develop a plan to address their new responsibilities for investigation, engagement, and evaluation of referred clients as well as the development of the CARE plans and the provision of services and expect a full plan to be developed this spring.

3. Wellness Hubs - Building upon the successful elements of the Tenderloin Center, the City is pursuing a strategy of several smaller "Wellness Hubs" that co-locate services along the continuum in a drop-in setting and provide overdose prevention services and linkage to treatment, housing, and benefits. These hubs form a new cornerstone of the City's multi-prong overdose prevention strategy. DPH will work with the Mayor's Office and Board of Supervisors to determine the legal and programmatic implementation for this new program over the next few months.
4. Spending Plan for Opioid Settlement Funds – Over the last several years, many entities including the State of California and the City and County, have filed legal cases against the major opioid manufacturers, distributors, and dispensers regarding their false marketing and failure to implement reasonable controls, conduct that fueled the opioid epidemic in San Francisco and nationwide. Several of these cases have reached and/or is in the process of finalizing settlements with these defendants. Details are still being developed, but the City expects these one-time settlement funds to be paid out over a number of years to support "opioid remediation." In general, and subject to the restrictions outlined in each agreement, opioid remediation can include care, treatment, and other programs designed to:
  - (1) address or prevent the misuse and risks of opioid products
  - (2) treat or mitigate opioid use or related disorders, or
  - (3) mitigate other alleged effects of the opioid epidemic.

Guidance on eligible spending and reporting requirements is being finalized and updated at this time.

Between now and the final adoption of the budget, DPH will be working with policy makers, community stakeholders and advisory bodies to further develop and refine these initiatives.

After accounting for all initiatives listed above as well as revenues assumed as part of the five-year forecast, the proposed budget meets the Mayor's Office general fund reduction targets over the two-year budget period. With your approval, we will submit the full proposal presented here to the Mayor and Controller's Office on February 21.

After February the February 21 submission, the budget process moves into the the Mayor's Office phase, with continued changes likely. The Mayor's Budget instructions noted the possibility that there may be additional instructions that would be provided should the financial outlook worsen. 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.

DPH staff will continue to update the Commission as the budget process progresses.

| Div      | Item | Description                                                                                                     | FY 2023-24 |                    |                      |                         | FY 2024-25 |                    |                      |                         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------|------|-----------------------------------------------------------------------------------------------------------------|------------|--------------------|----------------------|-------------------------|------------|--------------------|----------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          |      |                                                                                                                 | FTE Change | Expend Incr/(Decr) | Revenues Incr/(Decr) | Net GF (Savings) / Cost | FTE Change | Expend Incr/(Decr) | Revenues Incr/(Decr) | Net GF (Savings) / Cost |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| HD / SFH | B1   | Integrating COVID-19 Response Functions into Ongoing Operations                                                 | 33.58      | \$ -               | \$ -                 | \$ -                    | 42.50      | \$ -               | \$ -                 | \$ -                    | As part of last year's FY 2022-24 budget, DPH proposed a continued step down of its COVID-19 response and operating costs with \$57 million budgeted for FY 2022-23 and \$25 million ongoing starting in FY 2023-24. A portion of the base \$25 million was programmed last year for 58.0 new FTE across the department. This initiative details the full \$25 million of COVID-19 response and operating costs including the creation of an additional 42.5 FTE annually with the remaining unexpended authority. These investments provide baseline services and costs to prevent further exacerbation of health disparities, continued capacity at PHD and the SFHN to respond to the risk represented by the presence of endemic COVID and other emerging diseases in the future. |
| BHS      | B2   | Mental Health Services Act                                                                                      | 3.16       | \$ 32,012,232      | \$ 32,012,232        | \$ -                    | 4.00       | \$ 17,677,094      | \$ 17,677,094        | \$ -                    | The Mental Health Services Act (MHSA) was enacted through a statewide ballot initiative, Proposition 63, in 2004 and provides funding to expand and enhance mental health services within specific funding categories. DPH is projecting additional revenue \$32.0 million in FY 23-24 and \$17.7 million in FY 24-25. DPH is directing this increased revenue to meet critical behavioral health priorities including ensuring the continuity of existing MHSA programming. Further, the proposal will fund one-time capital, telehealth projects, innovation, prevention and early intervention, and reserve needs.                                                                                                                                                                 |
| ZSFG     | B3   | Expansion of Endoscopy Services & Trauma Standards Compliance                                                   | 4.74       | \$ 860,061         | \$ 1,040,315         | \$ (180,254)            | 6.00       | \$ 1,466,240       | \$ 1,783,397         | \$ (317,157)            | This initiative will add staffing to increase Endoscopy rooms to a total of 3 to serve an addition 2000 patients per year. Additionally, this initiative seeks to hire a 1.0 FTE RN and a 1.0 FTE Health Care Analyst to bring ZSFG's Trauma program in compliance with regulations and updated standards. The new standards include several new expectations in staffing, quality, data management, resource availability, care protocols and operational processes.                                                                                                                                                                                                                                                                                                                 |
| SFHN     | B4   | CaAIM Enhanced Care Management Expansion for People At-Risk of Institutionalization and Justice-Involved People | 9.48       | \$ 1,283,189       | \$ 1,283,189         | \$ -                    | 12.00      | \$ 1,881,533       | \$ 1,881,533         | \$ -                    | This initiative reflects revenue and expenditure changes anticipated under the new California Advancing and Innovating Medi-Cal (CaAIM), the successor program to the Medi-Cal Waiver. The next phase of the rollout involves several new populations of focus – most significantly, people at risk of long-term institutionalization and justice-system involved people. DPH proposes to add 12 FTE to focus on these new populations, as well as our existing teams under Whole Person Integrated Care, as they gain access to the enhanced care management benefit.                                                                                                                                                                                                                |

DEPARTMENT OF PUBLIC HEALTH FY 2023-24 and 2024-25 PROPOSED BUDGET

|                                             |      |                                                                                                           | FY 2023-24   |                       |                         |                            | FY 2024-25   |                       |                         |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------|------|-----------------------------------------------------------------------------------------------------------|--------------|-----------------------|-------------------------|----------------------------|--------------|-----------------------|-------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Div                                         | Item | Description                                                                                               | FTE Change   | Expend<br>Incr/(Decr) | Revenues<br>Incr/(Decr) | Net GF (Savings) /<br>Cost | FTE Change   | Expend<br>Incr/(Decr) | Revenues<br>Incr/(Decr) | Net GF (Savings) /<br>Cost | Comments                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>MAYOR'S INSTRUCTIONS</b>                 |      |                                                                                                           |              |                       |                         |                            |              |                       |                         |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                             |      | General Fund Reduction Targets: 5%, growing to 8%                                                         | -            | \$ -                  | \$ -                    | \$ 49,701,000              | -            | \$ -                  | \$ -                    | \$ 79,521,000              |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                             |      | Revenue Changes Assumed in Five Year Projection                                                           | -            | \$ -                  | \$ -                    | \$ 20,341,368              | -            | \$ -                  | \$ -                    | \$ 35,865,700              |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                             |      |                                                                                                           | -            | \$ -                  | \$ -                    | \$ 70,042,368              | -            | \$ -                  | \$ -                    | \$ 115,386,700             |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>REVENUE</b>                              |      |                                                                                                           |              |                       |                         |                            |              |                       |                         |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| SFHN                                        | A1   | Baseline Revenues for the San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG) | -            | \$ -                  | \$ 55,125,019           | \$ (55,125,019)            | -            | \$ -                  | \$ 39,830,735           | \$ (39,830,735)            | This initiative adjusts Zuckerberg San Francisco General (ZSFG) and San Francisco Health Network (SFHN) revenues to reflect current revenue baseline projections for Patient Revenues, Medicaid Graduate Medical Education (Medicaid GME), and Prior Year Settlements.                                                                                                                                                            |
| ZSFG                                        | A2   | Expansion of a Fee For Service (FFS) Model at ZSFG                                                        | 11.85        | \$ 1,408,516          | \$ 38,077,432           | \$ (36,668,916)            | 15.00        | \$ 2,378,106          | \$ 39,295,432           | \$ (36,917,326)            | In January 2023, the San Francisco Health Plan (SFHP) and ZSFG expanded its use of fee for service model transitioning from a capitated model. By expanding the Fee for Service (FFS) model, the hospital will now be able to recover more funding from the SFHP and the State, while maintaining quality care for its patients.                                                                                                  |
| BHS                                         | A3   | Behavioral Health Baseline Revenues and Quality Assurance/Utilization Review                              | 5.53         | \$ 709,714            | \$ 15,220,642           | \$ (14,510,928)            | 7.00         | \$ 1,232,340          | \$ 8,913,393            | \$ (7,681,053)             | The initiative includes bundled behavioral health revenue changes for FY 23-24 and FY 24-25, offset partially by new investments in quality assurance in the Department of Public Health (DPH)'s Behavioral Health Services (BHS) division. This initiative includes 7.0 FTE for behavioral health quality assurance activities and improved claiming which is partially offset by additional Medi-Cal Quality Assurance revenue. |
| PHD                                         | A4   | Population Health Revenue Backfill                                                                        | -            | \$ -                  | \$ (502,325)            | \$ 502,325                 | -            | \$ -                  | \$ (665,226)            | \$ 665,226                 | DPH's Population Health Division (PHD) provides core public health services for the City and County of San Francisco. Due to changes in federal funding priorities and lower than expected fee revenues, this initiative backfills \$0.50 million in FY 2023-24 and \$0.67 M in FY 2024-25 of expiring grants and lowered fee revenue to the general fund.                                                                        |
| <b>SUBTOTAL REVENUE</b>                     |      |                                                                                                           | <b>17.38</b> | <b>\$ 2,118,230</b>   | <b>\$ 107,920,768</b>   | <b>\$ (105,802,538)</b>    | <b>22.00</b> | <b>\$ 3,610,446</b>   | <b>\$ 87,374,334</b>    | <b>\$ (83,763,888)</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>REVENUE NEUTRAL &amp; EMERGING NEEDS</b> |      |                                                                                                           |              |                       |                         |                            |              |                       |                         |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                   |



| Div                      | Item | Description                                                               | FY 2023-24   |                      |                      |                         | FY 2024-25   |                      |                      |                         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------|------|---------------------------------------------------------------------------|--------------|----------------------|----------------------|-------------------------|--------------|----------------------|----------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          |      |                                                                           | FTE Change   | Expend Incr/(Decr)   | Revenues Incr/(Decr) | Net GF (Savings) / Cost | FTE Change   | Expend Incr/(Decr)   | Revenues Incr/(Decr) | Net GF (Savings) / Cost |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| LHH                      | B5   | Investments to Sustain Improvements at Laguna Honda Hospital              | 11.06        | \$ 1,950,390         | \$ -                 | \$ 1,950,390            | 14.00        | \$ 2,500,547         | \$ -                 | \$ 2,500,547            | This initiative supports the recertification effort of Laguna Honda Hospital (LHH). The recertification action plan submitted to the Centers for Medicare and Medicaid services (CMS) includes substantial improvements and process changes across the organization. To support these initiatives, LHH proposes to add 14.0 FTE in key areas including Education and Training, Patient Care Experience, medication management, as well as leadership within the SFHN. |
| <b>TOTAL INITIATIVES</b> |      |                                                                           | <b>62.02</b> | <b>\$ 36,105,872</b> | <b>\$ 34,335,736</b> | <b>\$ 1,770,136</b>     | <b>78.50</b> | <b>\$ 23,525,414</b> | <b>\$ 21,342,024</b> | <b>\$ 2,183,390</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>INFLATIONARY</b>      |      |                                                                           |              |                      |                      |                         |              |                      |                      |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ZSFG                     | C1   | University of California San Francisco (UCSF) Affiliation Agreement Costs | -            | \$ 2,910,827         | \$ -                 | \$ 2,910,827            | -            | \$ 18,682,165        | \$ -                 | \$ 18,682,165           | This initiative requests annual adjustments to the long-standing Affiliation Agreement with UCSF for physician, clinical and ancillary services at Zuckerberg San Francisco General Hospital Medical Center.                                                                                                                                                                                                                                                          |
| DPH                      | C2   | DPH Pharmaceuticals and Materials and Supplies Inflation                  | -            | \$ -                 | \$ -                 | \$ -                    | -            | \$ 10,892,880        | \$ -                 | \$ 10,892,880           | This initiative requests annual inflationary adjustments for expenses critical to network operations. This adjustment is critical to ensuring that DPH can continue to provide services and treatments to its patients. DPH projects cost increases of 10% for pharmaceuticals and 11% for food.                                                                                                                                                                      |
| <b>Subtotal</b>          |      |                                                                           | <b>-</b>     | <b>\$ 2,910,827</b>  | <b>\$ -</b>          | <b>\$ 2,910,827</b>     | <b>-</b>     | <b>\$ 29,575,045</b> | <b>\$ -</b>          | <b>\$ 29,575,045</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**FY 2023-24 & 2024-25 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: Baseline Revenues for the San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG)

TARGETED CLIENTS: N/A

PROGRAM CONTACT NAME/TITLE: Matthew Sur, Reimbursement Director

| FY 2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|-----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| 0                     | 0                                | (\$55,125,019)                                | (\$39,830,735)                                               |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

This initiative adjusts San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG) revenues to reflect current revenue baseline projections for Patient Revenues, Medicaid Graduate Medical Education (Medicaid GME), and Prior Year Settlements.

**JUSTIFICATION:**

Baseline revenues at Zuckerberg San Francisco General (ZSFG) are being adjusted to reflect projected increases from the base budgets for FY 2023-24 and FY 2024-25.

Net Patient Revenue, Capitated and supplemental payment programs are projected to increase by \$19.1 million in FY 2023-24 and \$19.4 million in FY 2024-25. The Medicaid GME program is projected to experience a one-time increase of \$21.2 million in addition to \$2.2 million in growth for a total of \$23.4 million in FY 2023-24 plus an additional \$3 million in growth for FY 2024-25. Prior Year settlements for FY2023-24 are assumed at \$5 million and for FY 2024-25 at \$8 million. Lastly, due to changes in supplemental payment programs, the Department projects intergovernmental transfer (IGT) payment savings of \$7.6 million in FY 2023-24 and \$9.4 million in FY 2024-25.

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

No impacts on clients.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

Revenues and IGT savings will increase by \$55.2 million in FY 2023-24 and \$39.9 million in FY 2024-25

**IMPACT ON DEPARTMENT’S WORKFORCE :**

No impact on FTEs in both years.

**INITIATIVE TITLE: A1 -Baseline Revenues for the San Francisco Health Network (SFHN)  
and Zuckerberg San Francisco General (ZSFG)**

| Description                                                                     |                      | FY 2023-24           | FY 2024-25           |
|---------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| <b>Sources:</b>                                                                 |                      |                      |                      |
|                                                                                 | Net Patient Revenues | \$ 19,074,025        | \$ 19,383,935        |
|                                                                                 | Medicaid GME         | \$ 23,429,070        | \$ 3,044,228         |
|                                                                                 | PY Settlement        | \$ 5,000,000         | \$ 8,000,000         |
|                                                                                 | IGT Savings          | \$ 7,621,923         | \$ 9,402,572         |
|                                                                                 | Subtotal Sources     | \$ <b>55,125,019</b> | \$ <b>39,830,735</b> |
| <b>Uses:</b>                                                                    |                      |                      |                      |
|                                                                                 | Salary and Benefits  | \$ -                 | \$ -                 |
|                                                                                 | Operating Expense    | \$ -                 | \$ -                 |
|                                                                                 | IGT                  | \$ -                 | \$ -                 |
|                                                                                 | Subtotal Uses        | \$ -                 | \$ -                 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                      | \$ (55,125,019)      | \$ (39,830,735)      |
| <b>Total FTE's</b>                                                              |                      | 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        | 0.00        |
| 0            |                               | 0.00        | 0.00        |
| 0            |                               | 0.00        | 0.00        |
|              | Total Salary                  | 0.00        | 0.00        |
|              | Fringe                        | -           | -           |
|              | Total Salary and Fringe       | <b>0.00</b> | <b>0.00</b> |
|              | Character/Subobject Code      |             |             |
|              | 527000 Professional Services  | -           | -           |
|              | 540000 Materials and Supplies | -           | -           |
|              | 581000 Workorder              | -           | -           |
|              |                               | \$ -        | \$ -        |

**FY 2023-24 & 2024-25 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: Expansion of a Fee for Service (FFS) Model at ZSFG

TARGETED CLIENTS: SFHP Medi-Cal patients at ZSFG

PROGRAM CONTACT NAME/TITLE: Jenny Louie, CFO

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| 11.85                | 15.00                            | (\$36,668,916)                                | (\$36,917,326)                                               |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

In January 2023, the San Francisco Health Plan (SFHP) and Zuckerberg San Francisco General Hospital (ZSFG) expanded its use of the Fee for Service (FFS) model, transitioning from a capitated model. By expanding the FFS, ZSFG is able to recover more funding from the SFHP and the State, while maintaining quality care for its patients.

**JUSTIFICATION:**

Until recently, ZSFG was under a capitation payment arrangement with the SFHP for its Medi-Cal members enrolled in the San Francisco Health Network (SFHN) who are assigned to SFHN for primary, specialty, and hospital services. Capitation means that providers are paid a monthly amount per enrolled patient and then the provider is responsible for the cost of providing all covered services, including Out of Network (OON) costs, for its members. In a Fee for Service (FFS) model, providers bill and are paid for each medical service delivered – physician visit, test or intervention, hospital stay, etc., and not responsible for the OON services rendered by other providers.

Expanding the FFS model at ZSFG is strictly a change in the payment arrangement between the Department of Public Health (DPH) and SFHP. DPH currently uses the FFS model for half its patients and this change will move most of the patients to FFS. The expansion affects how DPH bills and receives payment from the SFHP, but it does not change how DPH serves patients and there should be no delays in seeking treatment or services. Professional services in Primary Care and Specialty Care services will remain in capitation.

While there is no impact to patients, this change will increase the billing and preauthorization activities for Patient Financial Services, the Department of Coordinated Care, and Specialty Care teams. To address this increase in workload, an additional 15.0 FTE will be added to staff these divisions.

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

This should have no impact on patients or patient care. This will only affect the way ZSFG bills and receives reimbursement from the SFHP.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

Revenues will increase by \$38.0 M offset by \$1.4M in new expenditures in FY23-24. For FY24-25, revenues will increase by \$39.3M offset by \$2.4M in new expenditure.

**IMPACT ON DEPARTMENT'S WORKFORCE :**

DPH workforce will increase by 11.85 FTE in FY23-24 and 15 FTE annualized in FY24-25

**INITIATIVE TITLE: A2 - Expansion of a Fee For Service (FFS) Model at ZSFG**

| Description                                                                     |                                | FY 2023-24      | FY 2024-25      |
|---------------------------------------------------------------------------------|--------------------------------|-----------------|-----------------|
| <b>Sources:</b>                                                                 |                                |                 |                 |
|                                                                                 | Patient Revenues               | \$ 61,500,000   | \$ 61,500,000   |
|                                                                                 | Enhanced Payment Program (EPP) | \$ (25,152,276) | \$ (23,412,276) |
|                                                                                 | EPP IGT Savings                | \$ 1,729,708    | \$ 1,207,708    |
|                                                                                 | <b>Subtotal Sources</b>        | \$ 38,077,432   | \$ 39,295,432   |
| <b>Uses:</b>                                                                    |                                |                 |                 |
|                                                                                 | Salary and Benefits            | \$ 1,258,516    | \$ 2,228,106    |
|                                                                                 | Operating Expense              | \$ 150,000      | \$ 150,000      |
|                                                                                 | IGT                            |                 |                 |
|                                                                                 | <b>Subtotal Uses</b>           | \$ 1,408,516    | \$ 2,378,106    |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                                | \$ (36,668,916) | \$ (36,917,325) |
| <b>Total FTE's</b>                                                              |                                | 11.85           | 15.00           |

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

| <u>Class</u>                      | <u>Title</u>                           | <u>FTE</u>   |                   | <u>FTE</u>   |                   |
|-----------------------------------|----------------------------------------|--------------|-------------------|--------------|-------------------|
| <b>Patient Financial Services</b> |                                        |              |                   |              |                   |
| 2903                              | Hospital Eligibility Worker            | 3.16         | 290,019           | 4.00         | 382,888           |
| 2908                              | Senior Hospital Eligibility Worker     | 2.37         | 249,293           | 3.00         | 329,121           |
| 1637                              | Patient Accounts Clerk                 | 0.79         | 79,784            | 1.00         | 105,332           |
| <b>DOCC</b>                       |                                        |              |                   |              |                   |
| 2320                              | Registered Nurse                       | 2.37         | 482,733           | 3.00         | 637,311           |
| 1408                              | Principal Clerk                        | 1.58         | 159,924           | 2.00         | 211,134           |
| <b>Specialty</b>                  |                                        |              |                   |              |                   |
| 2430                              | Medical Evaluations Assistant          | 1.58         | 172,880           | 2.00         | 228,240           |
| 9993M                             | Attrition Savings - Miscellaneous      |              | (659,580)         |              | (254,302)         |
|                                   | <b>Total Salary</b>                    | <b>11.85</b> | <b>775,053</b>    | <b>15.00</b> | <b>1,639,724</b>  |
|                                   | <b>Fringe</b>                          | <b>62.4%</b> | <b>483,463</b>    | <b>35.9%</b> | <b>588,383</b>    |
|                                   | <b>Total Salary and Fringe</b>         | <b>11.85</b> | <b>1,258,516</b>  | <b>15.00</b> | <b>2,228,106</b>  |
| <br>                              |                                        |              |                   |              |                   |
|                                   | Character/Subobject Code               |              |                   |              |                   |
|                                   | 527000 Professional Services - UCSF MD |              | 150,000           |              | 150,000           |
|                                   | 540000 Materials and Supplies          |              | -                 |              | -                 |
|                                   | 581000 Workorder                       |              | -                 |              | -                 |
|                                   |                                        |              | <u>\$ 150,000</u> |              | <u>\$ 150,000</u> |

**FY 2023-24 & 2024-25 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: Behavioral Health Baseline Revenues and Quality

Assurance/Utilization Review

TARGETED CLIENTS: All Behavioral Health clients

PROGRAM CONTACT NAME/TITLE: Drew Murrell, DPH Controller

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| 5.53                 | 7.00                             | (\$ 14,510,928)                               | (\$ 7,681,054)                                               |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

This initiative includes bundled 2011 Realignment and Short-Doyle and Drug Medi-Cal revenue changes for FY 2023-24 and FY 2024-25, offset partially by new investments in quality assurance in the Department of Public Health (DPH)’s Behavioral Health Services (BHS) division. The overall increases of \$15.2 million and \$8.9 million in FY 23-24 and FY 24-25, respectively, are comprised of increases from 2011 State Realignment funds and one-time recognition of prior year revenue due to audit requirement changes resulting from CalAIM behavioral health payment reform. This growth is offset by revenue reductions due to the wind down of the enhanced Federal Medical Assistance Percentage under the COVID-19 Public Health Emergency, and adjustments in budgeted Drug Medi-Cal revenue consistent with annual averages.

Expenditure changes of \$0.7 million in FY 23-24 and \$1.2 million in FY 24-25 result from an expansion of staff for behavioral health quality assurance activities. These costs are largely offset by additional claim revenue for these activities under Medi-Cal, which is incorporated into the revenue estimates.

**JUSTIFICATION:**

Starting in FY 2012-13, all State funding for behavioral health was “realigned” from the State to the counties. Each county now receives a dedicated share of State sales tax and vehicle licensing fee revenue for these services but has become responsible for managing its risk within the “2011 Realignment” funding level. The county is also annually allocated a legislated portion of any growth. DPH expects an increase of \$8.3 million and \$7.4 million from FY 23-24 and FY 24-25 base budgets, respectively.

CalAIM payment reform seeks to move counties away from cost-based reimbursement to enable value-based reimbursement structures that reward better care and quality of life for Medi-Cal beneficiaries. Beginning in FY 23-24, the State will no longer require a cost report or tie revenue to costs, instead Medi-Cal reimbursements for behavioral health will be rate-based. One-time recognition of \$15.2 million in prior year deferred revenues in FY 23-24 and \$2 million in FY 24-25 recognizes the State’s changing audit approach as a result of CalAIM.

Positions in this initiative will build out quality assurance/utilization review (QAUR) activities under BHS. QAUR staff promote the commitment to quality of care and ongoing performance improvement by the active involvement of beneficiaries, family members, providers, managers, and vendors in Quality Improvement processes. Quality Assurance costs are reimbursable at rates of up to 50% Short-Doyle Medi-Cal and 25% State general fund for staff who are involved in the administration of Medi-Cal quality assurance and utilization review activities. The expanded team will include seven new FTE: one 1824 Principal Administrative Analyst, one 2575 Research Psychologist, one 2820 Senior Health Program Planner, and four 2932 Senior Behavioral Health Clinicians.

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

Enhanced quality assurance will benefit Behavioral Health Services clients by:

- Ensuring that the delivery of care is high quality, timely, culturally and linguistically appropriate, and accessible.
- Ensuring clients are in the correct level of care and progressing through the stages of change towards recovery
- Ensuring staff have the tools and training to provide quality services that are in compliance with state and federal regulations
- Ensuring staff are following best practices that are efficient, effective, and improve client health and outcomes
- Ensuring prevention of fraud, waste, and abuse within the system of care

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

FY23-24: Increase revenue of \$15,220,642 and expenditures by \$709,714 & FY24-25: Increase revenue of \$8,913,393 and \$1,232,340 respectively.

**IMPACT ON DEPARTMENT'S WORKFORCE :**

Increase of 5.53 FTE in FY 23-24, annualizing to 7.00 FTE in FY 24-25.



**INITIATIVE TITLE: A3 - Behavioral Health Baseline Revenues and Quality Assurance/Utilization Review**

| Description                                                                     |                                             | FY 2023-24      | FY 2024-25     |
|---------------------------------------------------------------------------------|---------------------------------------------|-----------------|----------------|
| <b>Sources:</b>                                                                 |                                             |                 |                |
|                                                                                 | 2011 Realignment                            | \$ 8,300,000    | \$ 7,400,000   |
|                                                                                 | Behavioral Health One-Time Medi-Cal Revenue | \$ 6,321,821    | \$ 743,181     |
|                                                                                 | Quality Assurance Medi-Cal Revenue          | \$ 598,821      | \$ 770,212     |
|                                                                                 | Subtotal Sources                            | \$ 15,220,642   | \$ 8,913,393   |
| <b>Uses:</b>                                                                    |                                             |                 |                |
|                                                                                 | Salary and Benefits                         | \$ 709,714      | \$ 1,232,340   |
|                                                                                 | Operating Expense                           | \$ -            | \$ -           |
|                                                                                 | Subtotal Uses                               | \$ 709,714      | \$ 1,232,340   |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                                             | \$ (14,510,928) | \$ (7,681,054) |
| <b>Total FTE's</b>                                                              |                                             | 5.53            | 7.00           |

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

| <u>Class</u> | <u>Title</u>                       | <u>FTE</u>  |                | <u>FTE</u>  |                  |
|--------------|------------------------------------|-------------|----------------|-------------|------------------|
| 1824         | Principal Administrative Analyst   | 0.79        | 127,402        | 1.00        | 168,198          |
| 2575         | Research Psychologist              | 0.79        | 125,164        | 1.00        | 165,242          |
| 2820         | Senior Health Program Planner      | 0.79        | 114,165        | 1.00        | 150,722          |
| 2932         | Senior Behavioral Health Clinician | 3.16        | 420,106        | 4.00        | 554,624          |
|              | Less Attrition                     |             | (354,857)      |             | (136,927)        |
|              | Total Salary                       | 5.53        | 431,981        | 7.00        | 901,859          |
|              | Fringe                             | 64.3%       | 277,733        | 36.6%       | 330,481          |
|              | Total Salary and Fringe            | <b>5.53</b> | <b>709,714</b> | <b>7.00</b> | <b>1,232,340</b> |

| Character/Subject Code |                        |      |      |
|------------------------|------------------------|------|------|
| 527000                 | Professional Services  | -    | -    |
| 540000                 | Materials and Supplies | -    | -    |
| 581000                 | Workorder              | -    | -    |
|                        |                        | \$ - | \$ - |

FY 2023-24 & 2024-25 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: Population Health Revenues

TARGETED CLIENTS: San Francisco (SF) Residents, Visitors and/or Employees Who Work in SF

PROGRAM CONTACT NAME/TITLE: Susan Philip, MD, MPH, Health Officer and PHD Director

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| n/a                  | n/a                              | \$502,325                                     | \$665,226                                                    |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

DPH’s Population Health Division (PHD) provides core public health services for the City and County of San Francisco including health protection, health promotion and education, prevention and control for infectious diseases, monitoring of threats to the public’s health, emergency/disaster preparedness and response, and consumer safety. Due to changes in federal and State funding priorities, lower than expected fee revenues, and higher personnel costs, PHD expects a shortfall of \$0.50 million in FY 2023-24 and \$0.67 M in FY 2024-25 respectively. As these revenues provide support staffing for core public health services in San Francisco, a general fund backfill is necessary to continue the existing public health services.

**JUSTIFICATION:**

The Population Health Division (PHD) serves everyone in San Francisco and delivers the following ten essential public health services: (1) conduct and disseminate assessments focused on population health status and public health issues facing the community; (2) investigate health problems and environmental public health hazards to protect the community; (3) inform and educate about public health issues and functions; (4) engage with the community to identify and address health problems; (5) develop public health policies and plans; (6) enforce public health laws; (7) promote strategies to improve access to health care services; (8) maintain a competent public health workforce; (9) evaluate and continuously improve processes, programs, and interventions; and (10) contribute to and apply the evidence base of public health. PHD has an annual budget of \$212 million, of which approximately \$45 million comes from federal, State, and private grants. Projected revenue shortfalls impact the following PHD Branches: Community Health Equity and Promotion (CHEP) and Applied Research, Community Health, Epidemiology and Surveillance (ARCHES). This budget request, to backfill grant backfill reductions, supports a total of 3.23 FTEs for FY2023-24 and 4.85 FTEs for FY2024-25.

CHEP

Alcohol-related problems are a leading cause of premature mortality and public health costs in San Francisco. The Deemed Approved Off-Sale Alcohol Uses Ordinance (DAO) is a San Francisco City & County regulation that requires businesses that sell alcoholic beverages (off-sale, for consumption off the premises) maintain their business in a lawful and beneficial manner for the public and the surrounding community. The San Francisco Board of Supervisors passed the Deemed Approved Off-Sale Alcohol Uses Ordinance to ensure that alcohol sales occur in a

manner that protects the health, safety, and welfare of San Francisco residents. It requires business pay a license fee that goes toward public health. PHD's Community Health Equity and Promotion (CHEP) branch works in conjunction with community members and organizations to develop evidence-based, data-driven, sustainable initiatives supported by this revenue, addressing priority public health issues with a focus on ensuring health equity. Due to lower-than-expected revenues from DAO licenses fees, the Department is requesting backfill funding of \$108,253 in FY 23-24 and \$115,749 in FY 24-25. The funds provide partial positions to several positions that work on: (1) health education around sexually transmitted illnesses (STI), HIV, drug use health (DUH) and Hepatitis C Virus (HCV), (2) seniors' health and safety promotion including falls prevention, and (3) administrative coordination of CHEP services.

### ARCHES

PHD's Applied Research, Community Health, Epidemiology and Surveillance (ARCHES) Branch coordinates data collection, processing management, analysis, and interpretation related to health and morbidity in San Francisco. ARCHES maintains systems to gather, explore, analyze, and present data to inform decision making to maximize public health. Key programmatic areas are HIV, STIs, viral hepatitis (HCV), communicable diseases, informatics and community health assessment and impact. Funding from the core CDC Surveillance grant was \$482,482 less than the previous funding cycle. Furthermore, both the HIV Medical Monitoring Project CDC grant and the state surveillance funding will be reduced further after the current funding period ends in June 2024. The Department is requesting \$394,072 in FY 23-24 and \$549,477 in FY 24-25 in funding to continue HIV surveillance and the Medical Monitoring Project.

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

Allows PHD to continue current public health services to residents, visitors and employees who work in San Francisco.

### **EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

Revenue loss of \$502,325 in FY 2023-24 and \$665,226 in FY 2024-25.

### **IMPACT ON DEPARTMENT'S WORKFORCE :**

n/a

**INITIATIVE TITLE: A4 - Population Health Revenues**

| Description                                                                     |                                  | FY 2023-24   | FY 2024-25   |
|---------------------------------------------------------------------------------|----------------------------------|--------------|--------------|
| <b>Sources:</b>                                                                 |                                  |              |              |
|                                                                                 | Grant and fee revenue reductions | \$ (502,325) | \$ (665,226) |
|                                                                                 | Subtotal Sources                 | \$ (502,325) | \$ (665,226) |
| <b>Uses:</b>                                                                    |                                  |              |              |
|                                                                                 | Salary and Benefits              | \$ -         | \$ -         |
|                                                                                 | Operating Expense                | \$ -         | \$ -         |
|                                                                                 | Subtotal Uses                    | \$ -         | \$ -         |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                                  | \$ 502,325   | \$ 665,226   |
| <b>Total FTE's</b>                                                              |                                  | 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        | 0.00        |
| 0            |                                | 0.00        | 0.00        |
| 0            |                                | 0.00        | 0.00        |
|              | Total Salary                   | 0.00        | 0.00        |
|              | Fringe                         | -           | -           |
|              | <b>Total Salary and Fringe</b> | <b>0.00</b> | <b>0.00</b> |
|              | Character/Subobject Code       |             |             |
|              | 527000 Professional Services   | -           | -           |
|              | 540000 Materials and Supplies  | -           | -           |
|              | 581000 Workorder               | -           | -           |
|              |                                | \$ -        | \$ -        |

FY 2023-24 & 2024-25 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: Integrating COVID-19 Response Functions into Ongoing Operations  
 TARGETED CLIENTS: San Francisco Residents, Visitors and/or Employees; Patients of the San Francisco Health Network  
 PROGRAM CONTACT NAME/TITLE: **Susan Philip, Health Officer and Claire Horton, SFHN Chief Medical Director**

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact Favorable/(Unfavorable) | FY 2024-25 Cumulative Net General Fund Impact Favorable/(Unfavorable) |
|----------------------|----------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| 33.97                | 42.50                            | \$-                                                    | \$-                                                                   |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

As part of last year’s FY 2022-24 budget, DPH proposed a continued step down of its COVID-19 response and operating costs with \$57 million budgeted for FY 2022-23 and \$25 million ongoing starting in FY 2023-24. Approximately half of the base \$25 million was programmed last year to create 58.0 permanent FTE across the department and the remaining half was left undetailed pending continued step down and additional information regarding the departments needs during the current year. This initiative details the full \$25 million of COVID-19 response and operating costs including the creation of an additional 42.5 FTE annually with the remaining undetailed authority. As these costs are fully appropriated, this proposal does not create any net change in the department’s budget. These investments provide baseline services and costs to prevent further exacerbation of health disparities, continued capacity at PHD and the SFHN to respond to the risk represented by the presence of endemic COVID and other emerging diseases in the future.

**JUSTIFICATION:**

COVID-19 Task Force Response Functions  
 Task Force, Logistics, and ongoing Testing and Vaccine – \$12.0 million and 37 FTE to integrate task force functions and ongoing COVID response work into the Population Health Division (PHD). These investments will support Population Health Division’s provision of core public health services for the City and County of San Francisco including health protection, health promotion and education, population health, prevention and control for infectious diseases, monitoring of threats to the public’s health, emergency/disaster preparedness and response, and consumer safety.

Information and Guidance

- 3 FTEs (1-0922 Manager I, 1-2593 Health Program Coordinator III, 1-2591 Health Program Coordinator II) will provide information and guidance services by providing accurate and timely infectious disease and event information to clinicians, emergency leaders and responders, the public, and other stakeholders. The budget also supports

two UCSF clinical subject matter experts, at 0.5 FTE each, to provide clinical policy review and recommendations and to support the Health Officer and City Attorney on Health Orders and Directives.

#### Epidemiology and Surveillance

- 6 FTEs (2-2802 Epidemiologist, 3-1823 Senior Administrative Analyst, and 1-1053 Senior Information Systems Business Analyst) will provide continuity in supporting surveillance, epidemiology and dashboard reporting for communicable and emerging infectious diseases.

#### Equity and Community Engagement

- 5 FTEs (1-0922 Manager I, 1-1824 Principal Administrative Analyst, 3-2591 Health Program Coordinator IIs, and 1-2588 Health Worker IV) will form the Equity and Community Engagement group with a focus on community health equity and promotion services to address priority public health issues, with a focus on ensuring health equity. This group will maintain close partnerships with the community and community-based organizations, building networks to develop and disseminate public health messages in a community and client-centered manner.

#### Vaccination and Covid Resource Center

- 8 FTEs (1-0923 Manager II, 1-2232 Deputy Medical Director, 1-2322 Nurse Manager, 1-P103 Special Nurse, 1-2593 Health Program Coordinator III, 1-2588 Health Worker IV, 1-2586 Health Worker II, and 1-1823 Senior Administrative Analyst) will provide public health disease prevention and intervention services including conducting disease investigations of all reportable diseases and outbreaks, coordinating vaccination procurement and distribution as well as providing clinical preventative and treatment services. Staff will also manage the vaccine and testing contracts, collaborating with vendors, other City departments and community partners to address the needs of underserved communities and special populations. In addition, there are 2 new FTE for Pharmacy -- 1-2453 Supervising Hub Pharmacist and 1-2450 Hub Pharmacist – who will oversee the storage, handling, allocating, and delivering of population health vaccine efforts using a centralized, sustainable model. Finally, this budget also includes one UCSF clinical lead, at 0.5 FTE, to provide continued support and guidance on therapeutics.

#### Testing and Vaccine Contracts

- \$5 million to continue contracts for COVID testing (\$3.7 million) and vaccines (\$1.3 million), primarily for uninsured San Franciscans and underserved populations. Community and pop-up sites remain a priority of the Department's response to close equity gaps and focus on vulnerable communities. These funding levels are consistent with the current level of delivery in non-surge months at approximately 4,400 tests per month and 2,500 vaccines per month.

#### Testing in the Public Health Laboratory

- For Testing, there are 7 FTEs for the Public Health Laboratory. The Department used a Center for Disease Control (CDC) Epidemiology and Laboratory Capacity grant to

add capacity for COVID-19 and MPX testing in the Public Health Laboratory. The grant funding ends by September 2023 and the \$1.35 million in funding will retain the seven FTEs, including 2-2416 Laboratory Technicians and 4-2463 Microbiologist I/II. There is also 1-2593 Health Program Coordinator III, who supports the Lab Director on personnel processes, project management including lean processes, and the overall planning and administration of the laboratory.

#### Isolation and Quarantine

- 2 FTE (1-2589 Health Program Coordinator and 1-2806 Disease Control Investigator) to support intake and wellness of those who are unable to safely isolate or quarantine elsewhere while recuperating from COVID-19 or another communicable disease. The budget also includes \$100,000 in funds for hotel vouchers and ancillary supports.

#### Operations

- 3 FTE for division operations, including 1-1823-Senior Administrative Analyst to serve as the Division's procurement leader to manage the supply chain structure and processes as well as a 1220 Payroll and Personnel Clerk and a 1632 Senior Account Clerk to manage increased administrative needs resulting from the growth in staff and contracts.

### San Francisco Health Network Operating Costs

Outside of the Task Force response, the San Francisco Health Network (SFHN) will also receive \$13.0 million in continuing investments, recognizing that healthcare operations have significantly changed due to COVID-19. The following costs will be included as part of the divisions' regular operating budgets.

- Zuckerberg San Francisco General - \$8.9 million in additional staffing to maintain hospital capacity in general and in the following key areas: the Monoclonal Antibodies Clinic to support treatment of COVID positive patients; Occupational Health Clinic with regular surveillance management and support for all DPH staff who may be exposed or test positive and an psychiatrist in the Emergency Department for screening and testing protocols for potential Psychiatric Emergency Services (PES) patients prior to transfer to PES for emergency psychiatric care and disposition; and increased capacity in the infectious disease clinic. The staffing includes 30-2320 Registered Nurses, 1.5-Licensed Vocational Nurses, and 1-1406 Senior Clerk.
- Laguna Honda Hospital - \$1.8 million to support additional COVID protocols. Staffing includes support in the areas of outbreak management, infection control, testing for patients and staff, security and enhanced sanitation requirements. The staffing includes 5-2320 Registered Nurses, 1-2119 Healthcare Analyst, 4-2736 Porters and 1-2740 Porter Supervisor.
- Ambulatory Care - \$2.3 million for additional staff to support vaccinations and increased staffing for call center support to consult on the use of therapeutics and other COVID-related needs for SFHN clients. The staffing includes 5-2903 Hospital Eligibility Workers and 15-Licensed Vocational Nurses (LVNs).

| DPH Continued COVID-19 Response               |                   |                   |                   |                   |                   |                   |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Program                                       | FY 2022-23<br>FTE | FY 2022-23        | FY 2023-24<br>FTE | FY 2023-24        | FY 2024-25<br>FTE | FY 2024-25        |
| <b>Population Health and COVID Task Force</b> |                   |                   |                   |                   |                   |                   |
| Info & Guidance                               | 5.6               | 800,000           | 3.0               | 900,000           | 3.0               | 900,000           |
| Equity & Community Engagement                 | 9.4               | 3,000,000         | 5.8               | 1,000,000         | 6.0               | 1,000,000         |
| Testing                                       | 9.8               | 12,300,000        | 5.5               | 4,700,000         | 7.0               | 4,700,000         |
| SIP Hotels                                    | 1.5               | 300,000           | -                 | -                 | -                 | -                 |
| Epi & Surveillance                            | 7.2               | 1,000,000         | 5.8               | 1,000,000         | 6.0               | 1,000,000         |
| Isolation & Quarantine                        | 16.6              | 2,900,000         | 1.8               | 300,000           | 2.0               | 300,000           |
| Vaccination                                   | 23.4              | 7,500,000         | 7.0               | 3,100,000         | 8.0               | 3,100,000         |
| Covid Resource Center                         | 11.9              | 1,700,000         | 2.0               | 600,000           | 2.0               | 600,000           |
| Operations                                    | 44.5              | 8,000,000         | 3.0               | 400,000           | 3.0               | 400,000           |
| <b>Subtotal PHD</b>                           | <b>129.9</b>      | <b>37,500,000</b> | <b>33.9</b>       | <b>12,000,000</b> | <b>37.0</b>       | <b>12,000,000</b> |
| <b>San Francisco Health Network</b>           |                   |                   |                   |                   |                   |                   |
| Ambulatory Care Response                      | 29.4              | 3,900,000         | 15.8              | 2,300,000         | 20.0              | 2,300,000         |
| ZSFG Response                                 | 63.3              | 11,302,090        | 31.3              | 8,900,000         | 32.5              | 8,900,000         |
| Laguna Honda Response                         | 15.0              | 4,838,431         | 11.0              | 1,800,000         | 11.0              | 1,800,000         |
| <b>Subtotal SFHN</b>                          | <b>107.7</b>      | <b>20,040,521</b> | <b>58.1</b>       | <b>13,000,000</b> | <b>63.5</b>       | <b>13,000,000</b> |
| <b>Total</b>                                  | <b>237.5</b>      | <b>57,540,521</b> | <b>91.97</b>      | <b>25,000,000</b> | <b>100.5</b>      | <b>25,000,000</b> |

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

These proposals will impact all San Franciscans, as they represent the Department and the SFHN's ongoing COVID-19 response work.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

This is a budget neutral proposal, as it programs the existing \$25 million in baselined funding for COVID-19 response.

**IMPACT ON DEPARTMENT'S WORKFORCE :**

33.97 new FTE in FY 2023-24 in addition to 58.0 positions added beginning in FY 2022-23, for a total of 91.97 FTE. Total FTE is 100.5 in FY 2024-25, when all positions have annualized.



**INITIATIVE TITLE: B1 Integrating COVID-19 into Ongoing Operations**

| Description                                                                     |                                        | FY 2023-24 |            | FY 2024-25 |            |
|---------------------------------------------------------------------------------|----------------------------------------|------------|------------|------------|------------|
| <b>Sources:</b>                                                                 |                                        |            |            |            |            |
|                                                                                 | Existing \$25 million                  | \$         | 25,000,000 | \$         | 25,000,000 |
|                                                                                 | Occupational Health Clinic Work Orders | \$         | 250,000    | \$         | 250,000    |
|                                                                                 | Subtotal Sources                       | \$         | 25,250,000 | \$         | 25,250,000 |
| <b>Uses:</b>                                                                    |                                        |            |            |            |            |
|                                                                                 | Salary and Benefits                    | \$         | 17,861,875 | \$         | 17,861,875 |
|                                                                                 | Operating Expense                      | \$         | 7,388,125  | \$         | 7,388,125  |
|                                                                                 | Subtotal Uses                          | \$         | 25,250,000 | \$         | 25,250,000 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                                        | \$         | 0          | \$         | 0          |
| <b>Total FTE's</b>                                                              |                                        |            | 92.0       |            | 100.5      |

**New Positions in FY22-23 and FY23-24 (List positions by Class, Title and FTE)**

| Class                                           | Title                            | FTE  |         | FTE  |         |
|-------------------------------------------------|----------------------------------|------|---------|------|---------|
| <b><u>Info &amp; Guidance</u></b>               |                                  |      |         |      |         |
| 0922                                            | Manager I                        | 1.00 | 161,666 | 1.00 | 168,613 |
| 2591                                            | Health Program Coordinator II    | 1.00 | 123,928 | 1.00 | 129,253 |
| 2593                                            | Health Program Coordinator III   | 1.00 | 149,164 | 1.00 | 155,571 |
| <b><u>Equity &amp; Community Engagement</u></b> |                                  |      |         |      |         |
| 0922                                            | Manager I                        | 0.79 | 127,716 | 1.00 | 168,613 |
| 1824                                            | Principal Administrative Analyst | 1.00 | 161,269 | 1.00 | 168,198 |
| 2591                                            | Health Program Coordinator II    | 3.00 | 371,784 | 3.00 | 387,759 |
| 2588                                            | Health Worker IV                 | 1.00 | 107,286 | 1.00 | 111,896 |
| <b><u>Isolation &amp; Quarantine</u></b>        |                                  |      |         |      |         |
| 2589                                            | Health Program Coordinator I     | 1.00 | 108,845 | 1.00 | 113,522 |
| 2806                                            | Disease Control Investigator     | 0.79 | 79,178  | 1.00 | 104,533 |
| <b><u>Operations</u></b>                        |                                  |      |         |      |         |
| 1823                                            | Senior Administrative Analyst    | 1.00 | 139,296 | 1.00 | 145,282 |
| 1220                                            | Payroll and Personnel Clerk      | 1.00 | 94,556  | 1.00 | 98,619  |
| 1632                                            | Senior Account Clerk             | 1.00 | 91,778  | 1.00 | 95,722  |
| <b><u>Epi &amp; Surveillance</u></b>            |                                  |      |         |      |         |
| 1823                                            | Senior Administrative Analyst    | 3.00 | 417,888 | 3.00 | 435,846 |
| 2802                                            | Epidemiologist I                 | 2.00 | 220,582 | 2.00 | 230,060 |
| 1053                                            | IS Business Analyst-Senior       | 0.79 | 121,109 | 1.00 | 159,890 |
| <b><u>Testing</u></b>                           |                                  |      |         |      |         |
| 2416                                            | Laboratory Technician II         | 1.58 | 142,679 | 2.00 | 188,368 |
| 2463                                            | Microbiologist I/II              | 3.16 | 514,900 | 4.00 | 679,776 |
| 2593                                            | Health Program Coordinator III   | 0.79 | 117,840 | 1.00 | 155,571 |
| <b><u>Covid Resource Center</u></b>             |                                  |      |         |      |         |
| P103_C                                          | Special Nurse                    | 1.00 | 254,627 | 1.00 | 265,579 |
| 2322                                            | Nurse Manager                    | 1.00 | 262,205 | 1.00 | 273,471 |

| <u>Class</u>                                 | <u>Title</u>                   | <u>FTE</u>   |                   | <u>FTE</u>    |                   |
|----------------------------------------------|--------------------------------|--------------|-------------------|---------------|-------------------|
| <b><u>Vaccine</u></b>                        |                                |              |                   |               |                   |
| 0923                                         | Manager II                     | 0.79         | 137,101           | 1.00          | 181,002           |
| 2588                                         | Health Worker IV               | 1.00         | 107,286           | 1.00          | 111,896           |
| 2593                                         | Health Program Coordinator III | 1.00         | 149,164           | 1.00          | 155,571           |
| 2586                                         | Health Worker II               | 1.00         | 83,895            | 1.00          | 87,499            |
| 2232                                         | Senior Physician Specialist    | 0.79         | 254,402           | 1.00          | 335,865           |
| 1823                                         | Senior Administrative Analyst  | 0.79         | 110,044           | 1.00          | 145,282           |
| 2453                                         | Supervising Pharmacist         | 0.79         | 190,948           | 1.00          | 252,091           |
| 2450                                         | Pharmacist                     | 0.79         | 162,591           | 1.00          | 214,654           |
| <b><u>Ambulatory Care Response</u></b>       |                                |              |                   |               |                   |
| 2903                                         | Hospital Eligibility Worker    | 3.95         | 362,523           | 5.00          | 478,610           |
| 2312                                         | Licensed Vocational Nurse      | 11.85        | 1,223,631         | 15.00         | 1,615,454         |
| <b><u>ZSFG Response</u></b>                  |                                |              |                   |               |                   |
| 2320                                         | Registered Nurse               | 25.00        | 5,092,120         | 25.00         | 5,310,921         |
| 2320                                         | Registered Nurse               | 3.95         | 804,555           | 5.00          | 1,062,184         |
| 2312                                         | Licensed Vocational Nurse      | 1.58         | 163,151           | 1.50          | 161,545           |
| 1406                                         | Senior Clerk                   | 0.79         | 73,423            | 1.00          | 96,933            |
| <b><u>Laguna Honda Hospital Response</u></b> |                                |              |                   |               |                   |
| 2119                                         | Health Care Analyst            | 1.00         | 121,580           | 1.00          | 126,800           |
| 2320                                         | Registered Nurse               | 5.00         | 1,018,424         | 5.00          | 1,062,184         |
| 2736                                         | Porter                         | 4.00         | 308,816           | 4.00          | 322,088           |
| 2740                                         | Porter Supervisor I            | 1.00         | 93,649            | 1.00          | 97,673            |
|                                              | Less Attrition                 |              | (1,246,351)       |               | (3,197,236)       |
|                                              | Total Salary                   | 91.97        | 14,225,599        | 100.50        | 16,054,395        |
|                                              | Fringe                         | 34.3%        | 4,882,627         | 31.2%         | 5,004,716         |
|                                              | Total Salary and Fringe        | <b>91.97</b> | <b>17,861,875</b> | <b>100.50</b> | <b>17,861,875</b> |

| Character/Subobject Code                                         |                     |                     |
|------------------------------------------------------------------|---------------------|---------------------|
| 527000 Professional Services - UCSF Agreement for Info & Guidanc | 335,417             | 335,417             |
| 527000 Professional Services - UCSF Agreement for Vaccine        | 167,708             | 167,708             |
| 527000 Professional Services - UCSF Agreement for ZSFG           | 1,785,000           | 1,785,000           |
| 527000 Professional Services - Testing Contract                  | 3,700,000           | 3,700,000           |
| 527000 Professional Services - Vaccine Contract                  | 1,300,000           | 1,300,000           |
| 527000 Professional Services - I&Q Vouchers                      | 100,000             | 100,000             |
|                                                                  | <u>\$ 7,388,125</u> | <u>\$ 7,388,125</u> |

FY 2023-24 & 2024-25 Program Change Request

**DIVISION:**

- DPH – department wide                       Population Health                       SF Health Network Wide
- San Francisco General Hospital               Laguna Honda Hospital               Behavioral Health Services

PROGRAM / INITIATIVE TITLE: Mental Health Services Act for Program Continuity and Expansion to Address Health Equity

TARGETED CLIENTS: San Francisco residents at risk for overdose and Black/African Americans

PROGRAM CONTACT NAME/TITLE: Jessica Brown, Director- of BHS Office of Equity and Workforce Development

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| <b>3.16</b>          | <b>4.0</b>                       | <b>\$ -</b>                                   | <b>\$ -</b>                                                  |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

The Mental Health Services Act (MHSA) was enacted through a statewide ballot initiative, Proposition 63, in 2004 and provides funding to expand and enhance mental health services within specific funding categories. Based on information from the State on prior year actuals, as well as projected increases for the current year and FY 23-24, the Department of Public Health (DPH) is projecting additional revenue \$32,012,232 in FY 23-24 and \$17,677,094 in FY 24-25. DPH is directing this increased revenue to meet critical behavioral health priorities including ensuring the continuity of existing MHSA programming. Further, the proposal will fund one-time capital, telehealth projects, innovation, prevention and early intervention, and reserve needs in FY 23-24 and FY 24-25.

**JUSTIFICATION:**

Funding under the Mental Health Services Act (MHSA) comes from a one percent State tax on personal income in excess of \$1.0 million dollars, and, as a result, it can be volatile and fluctuate from year-to-year. Funding allocated to counties through MHSA is subject to a community planning process, the development of a three-year MHSA Integrated Plan, as well as Board of Supervisors approval to ensure the proposed Plan meets MHSA requirements. Counties are only allowed to use MHSA revenue to fund programs consistent with their approved local MHSA Integrated Plan.

To operationalize the MHSA Integrated Plan in the DPH City budget, the Department is proposing the following two-year budget for MHSA funds in alignment with the San Francisco MHSA Integrated Plan, and revenue projections. The initiatives are designed to meet the pressing needs to address health equity, to preserve current initiatives, and to address emerging needs.

| <b>Initiatives</b>                                                                     | <b>FY 23-24</b>     | <b>FY 24-25</b>     | <b>Total</b>        |
|----------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| Support Existing Programs Including Continuation of Pilot Programs                     | \$11,542,790        | \$11,542,790        | \$23,085,580        |
| Behavioral Health Positions Targeting Black/African American Clients at Clinics        | \$ 550,094          | \$ 684,304          | \$ 1,234,398        |
| CalAIM/Medi-Cal Billing Training and Capacity Building                                 | \$ 584,210          | \$ 450,000          | \$ 1,034,210        |
| Three-Year Telehealth Pilot Project with Human Rights Commission (HRC)                 | \$ 5,000,000        | \$ 5,000,000        | \$10,000,000        |
| Capital Improvements (one-time)                                                        | \$ 2,535,138        |                     | \$ 2,535,138        |
| Innovation (one-time) BHS Staff Training                                               | \$ 300,000          |                     | \$ 300,000          |
| Prevention and Early Intervention (one-time) Medi-Cal Peer Support Specialist Training | \$ 1,500,000        |                     | \$ 1,500,000        |
| MHSA Reserve (one-time)                                                                | <u>\$10,000,000</u> |                     | <u>\$10,000,000</u> |
| <b>Total</b>                                                                           | <b>\$32,012,232</b> | <b>\$17,677,094</b> | <b>\$49,689,326</b> |

**Support Existing Programs Including Continuation of Pilot Programs**

Most of the ongoing funding, or an amount of \$11,542,790 per year will be used to sustain support for existing programs in the current MHSA Integrated Plan, allowing DPH to baseline prior one-time expansions. Most significantly, this will allow for an ongoing investment of six million dollars annually to continue the expanded mental health support delivered through telehealth services for Black-Identified pregnant people living in San Francisco. In addition, these efforts include expanding peer services and peer employment programs for community-based organizations, such as Rafiki, RAMS, Curry Senior Center, and the Transgender Pilot Program. The spending plan also includes funding to continue the UCSF Fuerte program for Latina/e/o/x youth, making it a core BHS program. MHSA has also increased its investments in equity, workforce, and trauma-informed initiatives to meet requirements of the California Department of Health Care Services. Finally, this funding covers an anticipated three percent cost of doing business (CODB) increase for all the community-based MHSA providers in FY 23-24. MHSA self-funds CODB allocations. Total Budget: \$11,542,790 in FY23-24 and \$11,542,790 in FY24-25.

**Behavioral Health Positions Targeting Black/African American Clients at Clinics**

In recognition of disparities in access to behavioral health treatment and positive outcomes for Black/African Americans, the MHSA Integrated Plan includes an initiative to expand staffing capacity by 4.0 FTE 2588 Health Worker IVs and associated operating expenses. The proposed initiative would allow the Department to create permanent positions from the existing temporary positions to maintain this capacity, effective in FY 23-24. The permanent staffing will allow BHS to continue its efforts to provide culturally responsive behavioral health interventions at four civil service clinics: South of Market Mental Health, Ocean Merced Ingleside (OMI), Mission Mental Health Alternative Programs, and TAY Civil Service Clinic. The interventions are State-approved to enable San Francisco to continue its innovative and culturally-congruent

interventions with San Francisco's Black/African American communities. The staff are estimated to serve 764 clients annually. Total Budget: FY23-24: \$550,094 (\$472,863 for positions and \$77,231 for materials and supplies) and FY24-25 \$684,304 (annualized \$607,073 for positions and \$77,231 for material & supplies).

### **CalAIM/Medi-Cal Billing Training and Capacity Building**

MHSA will provide funding to support Behavioral Health Services (BHS) contractors through the State-mandated transition to a new Medi-Cal billing process, referenced as CalAIM Reform. The new processes will require a significant culture shift, allowing providers to spend more time with clients and less time on documentation, however, there are significant documentation and related changes. Providers will receive education on all the new billing and reimbursement requirements for direct patient care, as well as changes to the documentation requirements. Funding will support both the purchase of licenses for a learning management system, and the associated training. Funding will also be used to evaluate the effectiveness of training and the success in increasing patient-care time. Ongoing training will be made available to support community organizations in on-boarding new staff and ensuring continuing education for their providers, reaching around 350 providers a year. Total Budget: \$584,210 in FY23-24 and \$450,000 in FY24-25

### **Telehealth Project with Human Rights Commission**

MHSA will partner with the San Francisco Human Rights Commission (HRC) to create a universal talk therapy program to provide mental health support for people in San Francisco, with a particular focus on Black/African American residents. The Dream Keeper Initiative at HRC will lead the development of a nationwide database of therapists, in coordination with a mental health services partner agency. Once established, clients will be able to complete a simple agreement and fee waiver. Therapists will then bill HRC directly for their services. Participation would be open to any San Franciscan, but with a targeted focus on Black/African American residents seeking mental health services. This is a one-time pilot project over the course of three years, from FY 23-24 through FY 25-26 and is projected to serve around 450 clients a year. Total funding is \$15,000,000, with \$5,000,000 for FY23-24 and \$5,000,000 for FY24-25 included in this budget cycle.

### **Capital Improvements**

Most of DPH's mental health clinics require some level of capital improvements. The MHSA Capital Facility Program and Expenditure Plan identified a set of projects specifically to improve Ocean Merced Ingleside (OMI) Family Center. OMI Family Center provides outpatient mental health for 400 severely mentally ill adults/older adults, children and high-risk youth, including assessment, evaluation, individual/group/family counseling, medication management, drop-in, crisis, and outreach services. The lease on the current space is expiring, and DPH is pursuing a new, larger space that is approximately 8,500 square feet, up from the current 5,000 square feet. The new OMI space will be fully ADA accessible and include a medication room, intake and exam space, and group therapy space. Besides the traditional outpatient programming and services space, additional space is needed to support a new mobile outreach program assigned to the clinic. The proposed funds will be used to support the buildout of the new space. Total Budget \$2,535,138 in FY 23-24.

### **Innovation-BHS Staff Training**

The DPH, BHS, Office of Justice, Equity, Diversity and Inclusion (JEDI)/Mental Health Services Act (MHSA) is implementing its Culturally Congruent and Innovation Practices for

Black/African American Communities Project. This project seeks to create more diversity in the mental health workforce to better engage consumers and implement culturally responsive services that meet the need of these communities. This project is being implemented at four civil service sites in San Francisco: Mission Mental Health Clinic- Alternatives Case Management Program, South of Market Mental Health, DPH Transitional Age Youth Clinic and the Outer Mission/Ingleside (OMI) Family Center. MHSA will provide \$300,000 in one-time funding for FY 23-24. This funding will allow DPH to partner with an organization to develop and train BHS clinicians on evidence-based and non-evidence-based interventions. Total Budget: One-time funding \$300,000 in FY23-24.

### **Prevention and Early Intervention (PEI) -Medi-Cal Peer Support Specialist Training**

The California Department of Health Care Services (DHCS) launched the Medi-Cal Peer Support Services benefit in July 2022, making Medi-Cal Peer Support Specialists (Peers) a unique provider type whose services are reimbursable through Medi-Cal. Individuals who self-identify as having experience with the process of recovery from a mental illness or substance use disorder, either as a consumer of these services or as the parent, caregiver, or family member of a consumer, can pursue training and certification to become a Peer Support Specialist. Certified Medi-Cal Peer Support Specialists complete 80 hours of training and must pass a State exam. Once certified, they can then provide recovery-oriented, culturally appropriate services through Medi-Cal that promote engagement, socialization, self-sufficiency, and self-advocacy. Certification also serves as a pathway to employment or volunteer positions within the public mental health system.

MHSA will provide one-time funding to the San Francisco based vendors that deliver the State's Medi-Cal Peer Support Specialist Training program. This will allow an estimated additional 500 peers to become State Certified Medi-Cal Peer Support Specialists. After joining the training program, individuals who complete the peer training will receive placement support in alignment with their career goals. The potential influx of certified Peer Support Specialists will benefit both the Department and city contractors by enhancing peer-centered services. Total FY23-24 Budget: \$1,500,000 (one-time funding)

### **MHSA Reserve**

\$10,000,000 will be appropriated to cover future costs and/or help to offset any future fluctuations in revenues. The reserve is particularly important given the historical volatility of MHSA revenues, which fluctuate significantly with changes in the economy. Total Budget: one-time funding \$10,000,000 in FY23-24.

### **Additional MHSA Background:**

Due to the nature of MHSA's funding volatile source, the annual spending plan and the annual appropriated revenues do not match. This is because the revenue projections fluctuate each year, estimates are confirmed via actual tax revenue receipts, and annual projections are revised to reflect actual earnings and therefore counties manage their spending on a multi-year basis. To ensure stable funding for the MHSA Integrated Plan from year to year, all prior year unspent funding, any previously unallocated funding, and/or funding from the reserve is specifically designated to ensure budgeted programming may continue without fluctuation.

The MHSA three-year program and expenditure plan must be developed and updated through an annual stakeholder process, posted for public comment, and presented in a public hearing with the San Francisco Mental Health Commission (aka Mental Health Board). In San Francisco, the three-year plan is titled the MHSA Integrated Plan, with the current plan covering the years 2020-2023.

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

Collectively, the components outlined above will benefit thousands of individual clients. Populations served through this service and staffing enhancements include Black/African Americans, Latinx, API, Native American, transgender individuals, homeless individuals and low-income clients with severe mental illness.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

The proposed initiative would increase revenues and expenditures by \$32,012,232 in FY23-24 and \$17,677,094 in FY24-25

**IMPACT ON DEPARTMENT'S WORKFORCE :**

Increase 3.16 FTE of 2588 Health Worker positions in FY23-24 and annualize to 4.0 FTE in FY24-25.

**INITIATIVE TITLE: B2 - Mental Health Services Act for Program Continuity and Expansion to Address Health Equity and Overdose Prevention**

| Description                                                                 |                     | FY 2023-24    | FY 2024-25    |
|-----------------------------------------------------------------------------|---------------------|---------------|---------------|
| <b>Sources:</b>                                                             | MHSA Revenues       | \$ 25,109,617 | \$ 24,579,709 |
|                                                                             | Subtotal Sources    | \$ 25,109,617 | \$ 24,579,709 |
| <b>Uses:</b>                                                                | Salary and Benefits | \$ 472,863    | \$ 607,073    |
|                                                                             | Operating Expense   | \$ 24,636,754 | \$ 23,972,636 |
|                                                                             | Subtotal Uses       | \$ 25,109,617 | \$ 24,579,709 |
| <b>Net General Fund Subsidy Required (savings)/cost (Uses less Sources)</b> |                     | \$ (0)        | \$ (0)        |
| <b>Total FTE's</b>                                                          |                     | 3.16          | 4.00          |

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

| <u>Class</u> | <u>Title</u>                   | <u>FTE</u>  |                | <u>FTE</u>  |                |
|--------------|--------------------------------|-------------|----------------|-------------|----------------|
| 2588         | Health Worker IV               | 3.16        | 339,024        | 4.00        | 447,584        |
| 0            |                                | 0.00        |                | 0.00        |                |
| 0            |                                | 0.00        |                | 0.00        |                |
|              | Total Salary                   | 3.16        | 339,024        | 4.00        | 447,584        |
|              | Fringe                         | 39.5%       | 133,839        | 35.6%       | 159,489        |
|              | <b>Total Salary and Fringe</b> | <b>3.16</b> | <b>472,863</b> | <b>4.00</b> | <b>607,073</b> |

| Character/Subobject Code                  |                      |                      |
|-------------------------------------------|----------------------|----------------------|
| 527000 Professional Services              | 12,127,000           | 11,992,790           |
| 527000 Professional Services              | 900,000              | 900,000              |
| 540000 Materials and Supplies             | 77,231               | 77,231               |
| Programmatic - Reserve                    | 5,000,000            | 5,000,000            |
| 560000 Capital                            | 1,532,523            | 1,002,615            |
| 581000 Health Rights Commission Workorder | 5,000,000            | 5,000,000            |
|                                           | <u>\$ 24,636,754</u> | <u>\$ 23,972,636</u> |



FY 2023-24 & 2024-25 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: Expansion of Endoscopy Services and Trauma Standards Compliance  
 TARGETED CLIENTS: Patients referred for gastrointestinal endoscopy at ZSFG  
 PROGRAM CONTACT NAME/TITLE: Justin Sewell, MD, Medical Director for ZSFG  
 Gastroenterology & Juliann Susman, RN, Trauma Program Manager

| FY2023-24 FTE Change | FY 2023-24 FTE Cumulative Change | FY 2024-25 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| 4.74                 | 6.00                             | (\$180,254)                                   | (\$317,157)                                                  |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

The ZSFG Gastrointestinal (GI) Endoscopy Unit provides endoscopic services to all adult patients within the San Francisco Health Network with an average annual volume of around 5,000 procedures. GI endoscopic procedures are critical for population-level screening, diagnosis and prevention of cancer, and for diagnosis and treatment of acute and chronic gastrointestinal symptoms and diseases. Nearly all referrals for GI endoscopy relate to cancer risk, gastrointestinal symptoms that can adversely affect patients’ quality of life, or both. Over the past decade, referral to ZSFG GI Endoscopy and procedural volumes have increased substantially. This has led to long waiting times, with many patients experiencing 6 month or longer delays between referral and procedure date. At the same time, the no-show rate for GI endoscopy procedures runs in the 30-40% range. This suboptimal utilization of resources further lengthens waiting times, not only for patients who no-show, but also for the overall patient service population, which includes the most vulnerable patients in San Francisco.

The primary contributor to waiting times is lack of adequate staffing. The ZSFG Endoscopy Unit has procedure rooms, yet nursing FTE only covers 2 rooms each day. While patient referrals for endoscopy have increased substantially over the past decade, nursing FTE has not increased in more than 6 years. Ultimately, excessive waiting times and high no-show rates are directly related to inadequate staffing of the endoscopy unit. There are too few nursing staff members to staff rooms to meet clinical demands. There are currently no ancillary staff to accomplish other essential tasks like patient reminder calls, and no endoscopy technicians, who can provide more cost-effective technical assistance during endoscopy as compared with Registered Nurses.

This initiative expands staffing to include: 2.0 FTE 2320 Registered Nurses, 1.0 FTE 2430 Medical Evaluations Assistant, and 1.0 FTE 2310 Endoscopy Technician to increase patient access to, timeliness of, and show rate for, gastrointestinal endoscopy procedures. In addition to these new staff, the Operating Room will transfer two Operating Room Technician positions to the Endoscopy Unit, for a total of three Endoscopy Technicians.

**JUSTIFICATION:**

By hiring the above personnel, ZSFG will run an additional endoscopy room for a total of three. This will facilitate 30 half-day sessions a week serving approximately 7,000 patients a year

annually. This increased staffing will also facilitate timely completion of inpatient procedures, expediting hospital discharge for some patients. The above personnel will also enable us to reliably make patient reminder calls. The combination of shorter waiting times and patient reminder calls has been shown to significantly improve show rates.

Additionally, this initiative seeks to hire a 1.0 FTE 2320 Registered Nurse and a 1.0 FTE 2119 Health Care Analyst to bring ZSFG's Trauma program in compliance with regulations and updated standards released March 2022 (Gray Book). The new standards include several new expectations in staffing, quality, data management, resource availability, care protocols and operational processes.

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

The increase in endoscopic capacity will allow us to provide critical endoscopic procedure services to approximately 2,000 additional clients per year for a total of 7,000.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

The operating budget will increase by \$860,061 in FY23-24 and annualize to \$1,466,240 in FY24-25. Revenues are expected to increase by \$1,040,315 in FY2324 and annualize to \$1,783,397 in FY2425

**IMPACT ON DEPARTMENT'S WORKFORCE:**

Increase of 4.74 FTE in FY 23-24 annualizing to 6.0 FTEs in FY 24-25.

**INITIATIVE TITLE: B3 - Expansion of Endoscopy Services and Trauma Standards Compliance**

| Description                                                                     |                     | FY 2023-24   | FY 2024-25   |
|---------------------------------------------------------------------------------|---------------------|--------------|--------------|
| <b>Sources:</b>                                                                 | Patient Revenues    | \$1,040,315  | \$1,783,397  |
|                                                                                 | Subtotal Sources    | \$ 1,040,315 | \$ 1,783,397 |
| <b>Uses:</b>                                                                    | Salary and Benefits | \$ 669,979   | \$ 1,163,836 |
|                                                                                 | Operating Expense   | \$ 190,082   | \$ 302,403   |
|                                                                                 | Subtotal Uses       | \$ 860,061   | \$ 1,466,240 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                     | \$ (180,254) | \$ (317,157) |
| <b>Total FTE's</b>                                                              |                     | 4.74         | 6.00         |

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

| <u>Class</u> | <u>Title</u>                      | <u>FTE</u>  |                | <u>FTE</u>  |                  |
|--------------|-----------------------------------|-------------|----------------|-------------|------------------|
| 2320         | Registered Nurse                  | 1.58        | 321,822        | 2.00        | 424,874          |
| 2310         | Surgical Procedures Technician    | 0.79        | 82,830         | 1.00        | 109,353          |
| 2430         | Medical Evaluations Assistant     | 0.79        | 86,440         | 1.00        | 114,120          |
| 2320         | Registered Nurse                  | 0.79        | 160,911        | 1.00        | 212,437          |
| 2119         | Health Care Analyst               | 0.79        | 96,048         | 1.00        | 126,800          |
| 9993M        | Attrition Savings - Miscellaneous |             | (334,989)      |             | (129,315)        |
|              | Total Salary                      | 4.74        | 413,062        | 6.00        | 858,268          |
|              | Fringe                            | 62.2%       | 256,917        | 35.6%       | 305,568          |
|              | <b>Total Salary and Fringe</b>    | <b>4.74</b> | <b>669,979</b> | <b>6.00</b> | <b>1,163,836</b> |
|              | Character/Subobject Code          |             |                |             |                  |
|              | 527000 Professional Services      |             | -              |             | -                |
|              | 540000 Materials and Supplies     |             | 190,082        |             | 302,403          |
|              | 581000 Workorder                  |             | -              |             | -                |
|              |                                   |             | \$ 190,082     |             | \$ 302,403       |

FY 2023-24 & 2024-25 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: CalAIM Enhanced Care Management Expansion for People At-Risk of Institutionalization and Justice-Involved People

TARGETED CLIENTS: SFHN Clients at-risk of institutionalization or justice-system involved

PROGRAM CONTACT NAME/TITLE: Bernadette Gates, CalAIM Manager

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| <b>9.48</b>          | <b>12.00</b>                     | <b>\$ -</b>                                   | <b>\$ -</b>                                                  |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

This initiative reflects revenue and expenditure changes anticipated under the new California Advancing and Innovating Medi-Cal (CalAIM), the successor program to the Medi-Cal Waiver. The next phase of the rollout involves several new populations of focus – most significantly, people at risk of long-term institutionalization and justice-system involved people. DPH proposes to add 12 FTE to focus on these new populations as they gain access to the enhanced care management benefit.

**JUSTIFICATION:**

The State of California is continuing its multi-year roll out of CalAIM, a new framework that encompasses a broad-based delivery system, program, and payment reform across the Medi-Cal program with a whole-person care approach. The programs are being phased-in following a schedule that extends through January 2027. For the FY 2023-24 and FY 2024-25 budget, the focus is on the roll-out of benefits to people at risk of long-term institutionalization and justice-system involved people exiting jail.

DPH proposes to leverage additional CalAIM revenue by adding 11 FTE positions that will continue to build out the enhanced care management (ECM) function so it can reach San Francisco Health Network patients at risk of long-term care institutionalization. As Cal-AIM focuses on stabilizing patients in community settings as much as possible, the enhanced care management benefit allows for us to provide hands-on support to address the clinical and non-clinical needs of medically complex patients to keep them out of institutions. The new ECM staff will fill critical gaps, allowing for us to: 1) serve people exiting the hospital by working with the Department of Care Coordination at ZSFG to set-up medical supports in the community and 2) serve patients moving from the street into housing by augmenting the Street Medicine team. Enhanced care managers will help coordinate the health and health-related services that these patients need to stabilize in independent settings. 3) offer intensive, community-based coordination to individuals re-entering the community from incarceration. Given Justice Involved populations are disproportionately people of color, this is important equity work to move forward.

The requested new staff are: 1- 2588 Health Worker IV, 5-2587 Health Workers III, 2-2920 Medical Social Workers, 1-2593 Health Program Coordinators III, and 2-2320 Registered Nurses. These positions will be integrated into existing ECM Teams, which have strong leadership and standardized ECM processes already in place, adding approximately 180 clients a month in capacity.

The State was also recently approved for a Medi-Cal waiver that will allow for reimbursement for services in the 90-day period prior to release from jail, thereby encouraging a facilitated referral and linkage to health services. While the anticipated go-live is now early 2024, the DPH budget for FY 2023-24 includes a 2591-Health Program Coordinator II to serve as the Operations and Special Projects Manager for HIV Integrated Services. This position will support coordination of STI work, overdose education and prevention, managing the grant funded positions and grant reporting, coordinating with Reentry for Medi-Cal enrollment and revenue capture through CalAIM.

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

Expanded services to approximately 180 SFHN clients a month in ECM.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

One-time increase of \$1,283,189 in revenue in FY 23-24 for as the positions on-board and ongoing increases in revenue of \$1,881,533 in FY 24-25 for ECM. These increases are fully offset by increases to project expenses in the CalAIM Project.

**IMPACT ON DEPARTMENT'S WORKFORCE :**

9.48 FTE in FY 2023-24 and 12 FTE in FY 2024-25.

**INITIATIVE TITLE: B4 - CalAIM Enhanced Care Management Expansion**

| Description                                                                     |                     | FY 2023-24   | FY 2024-25   |
|---------------------------------------------------------------------------------|---------------------|--------------|--------------|
| <b>Sources:</b>                                                                 |                     | \$ -         | \$ -         |
| Subtotal Sources                                                                |                     | \$ -         | \$ -         |
| <b>Uses:</b>                                                                    | Salary and Benefits | \$ 1,283,189 | \$ 1,881,533 |
|                                                                                 | Operating Expense   | \$ -         | \$ -         |
| Subtotal Uses                                                                   |                     | \$ 1,283,189 | \$ 1,881,533 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                     | \$ 1,283,189 | \$ 1,881,533 |
| <b>Total FTE's</b>                                                              |                     | 9.48         | 12.00        |

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

| <u>Class</u> | <u>Title</u>                   | <u>FTE</u>  |                  | <u>FTE</u>   |                  |
|--------------|--------------------------------|-------------|------------------|--------------|------------------|
| 2588         | Health Worker IV               | 0.79        | 84,756           | 1.00         | 111,896          |
| 2587         | Health Worker III              | 3.95        | 362,523          | 5.00         | 478,610          |
| 2920         | Medical Social Worker          | 1.58        | 201,273          | 2.00         | 265,724          |
| 2593         | Health Program Coordinator III | 0.79        | 117,840          | 1.00         | 155,571          |
| 2320         | Registered Nurse               | 1.58        | 321,822          | 2.00         | 424,874          |
| 2591         | Health Program Coordinator II  | 0.79        | 97,903           | 1.00         | 129,253          |
|              | Less Attrition                 |             | (343,099)        |              | (209,059)        |
|              | Total Salary                   | 9.48        | 1,186,117        | 12.00        | 1,565,928        |
|              | Fringe                         | 37.1%       | 440,171          | 33.5%        | 524,665          |
|              | Total Salary and Fringe        | <b>9.48</b> | <b>1,283,189</b> | <b>12.00</b> | <b>1,881,533</b> |

| Character/Subobject Code |                        |      |      |
|--------------------------|------------------------|------|------|
| 527000                   | Professional Services  | -    | -    |
| 540000                   | Materials and Supplies | -    | -    |
| 581000                   | Workorder              | -    | -    |
|                          |                        | \$ - | \$ - |

**FY 2023-24 & 2024-25 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 to Sustain Improvements at Laguna Honda

TARGETED CLIENTS: LHH residents

PROGRAM CONTACT NAME/TITLE: Roland Pickens, CEO

| FY2023-24 FTE<br>Change | FY 2024-25 FTE<br>Cumulative Change | FY 2023-24<br>General Fund Impact<br>(Savings)/Cost | FY 2024-25 Cumulative Net<br>General Fund Impact<br>(Savings)/Cost |
|-------------------------|-------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------|
| <b>11.06</b>            | <b>14.0</b>                         | <b>\$1,950,390</b>                                  | <b>\$2,500,547</b>                                                 |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

This initiative supports the recertification effort of Laguna Honda Hospital (LHH). The recertification action plan submitted to the Centers for Medicare and Medicaid services (CMS) includes substantial improvements and process changes across the organization. To support these initiatives, LHH proposes to add 14.0 FTE in key areas including Education and Training, Patient Care Experience, medication management, as well as leadership within the SFHN.

**JUSTIFICATION:**

Laguna Honda Hospital is currently implementing an action plan as part of its effort to gain recertification with Medicare and Medicaid. The action plan was submitted to the Centers for Medicare and Medicaid services (CMS) and represents a significant facility wide effort and includes hundreds of process improvements. To support the implementation of the action plan and sustain the improvements, Laguna Honda requests additional staff in the following areas:

**Care Experience:** The Care Experience and Resident Grievance program will enhance quality of experience at LHH for residents, families, and staff. The Grievance program is mandated by Title 22 and CMS, and will support the rights of residents, families, and visitors. Care Experience is responsible for resident and employee satisfaction surveys, and the following action plans and countermeasures that are needed post survey. The team that currently performs these duties does not have full time dedicated staff to cover these areas and requires more analytical and administrative support to make and maintain improvements as outlined in the action plan. Request: One (1) 2587 Health Worker III, one (1) 2588 Health Worker IV, and one (1) 2593 Health Program Coordinator III.

**Network Leadership:** The recertification process has identified the need for additional organizational leadership at the network level in the areas of Care Experience and Nursing. The SF Health Network (SFHN) Care Experience Officer and SFHN Chief Nursing Officer will help align the strategy of these practices across all DPH departments, and ensure that policies and processes are consistent across the network. Request: One (1) 0942 Manager VII and one (1) 1165 Manager, Department of Public Health

**Medication Safety Officer:** This is a critical area of improvement in the action plan. LHH requests one Medication Safety Officer and Clinical Pharmacy Supervisor who will manage medication use safety and improvement plans, and work with LHH leaders to jointly develop strategies and operations to ensure ongoing improvements, address potential system

vulnerabilities around medication safety associated with CMS recertification, and maintain survey readiness; including supervision of LHH clinical pharmacy team. Request: One (1) 2453 Supervising Pharmacist.

Quality Management: The Quality Management team supports all mandatory data reporting requirements to CDPH, CMS, and NHSN. The team is tasked with monitoring the facility policies and procedures, ensuring they are compliant with regulations, best practices in patient care, and supported by staff education. Additionally, the team provides EPIC (medical record) data analytics and reporting for all hospital disciplines. To ensure this team is able to support the facility through the recertification process and maintain the improved level of quality management reporting required post recertification, the team requests additional analytical support and a reclassification of the performance improvement manager position to better align the role with the duties performed. Request: One (1) 1822 Administrative Analyst and a reclassification of a 2591 Health Program Coordinator 2 to a 0931 Manager III.

Department of Education and Training: The recertification process has highlighted the need for additional training and support at LHH. The Department of Training and Education currently has nursing staff who provide training at the bedside in addition to handling training administration duties. Support staff are needed to reduce administrative duties for the nurses on the training team and allow them to provide more hands-on training. The requested staff will assist with the creation and updating of educational materials for 1600 staff, including administering the onboarding program, and coordinating training rollout across DPH. Request: Two (2) 2586 Health Worker II, three (3) 1406 senior clerks, and two (2) 2119 healthcare analysts.

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

This request will allow Laguna Honda Hospital to maintain critical improvements from the recertification action plan and improve quality of care for all hospital residents.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

Increase of \$1,950,390 in FY23-24 and \$2,500,547 in FY24-25

**IMPACT ON DEPARTMENT'S WORKFORCE :**

Increase of 11.06 FTE in FY23-24 and 14 FTE in FY24-25



**INITIATIVE TITLE: B5 - Investments to Sustain Improvements at Laguna Honda Hospital**

| Description                                                                     |                     | FY 2023-24   | FY 2024-25   |
|---------------------------------------------------------------------------------|---------------------|--------------|--------------|
| <b>Sources:</b>                                                                 |                     | \$ -         | \$ -         |
| Subtotal Sources                                                                |                     | \$ -         | \$ -         |
| <b>Uses:</b>                                                                    | Salary and Benefits | \$ 1,950,390 | \$ 2,500,547 |
|                                                                                 | Operating Expense   | \$ -         | \$ -         |
| Subtotal Uses                                                                   |                     | \$ 1,950,390 | \$ 2,500,547 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                     | \$ 1,950,390 | \$ 2,500,547 |
| <b>Total FTE's</b>                                                              |                     | 11.06        | 14.00        |

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

| <u>Class</u>            | <u>Title</u>                         | <u>FTE</u>   |                  | <u>FTE</u>   |                  |
|-------------------------|--------------------------------------|--------------|------------------|--------------|------------------|
| 2587                    | Health Worker III                    | 0.79         | 72,505           | 1.00         | 95,722           |
| 2588                    | Health Worker IV                     | 0.79         | 84,756           | 1.00         | 111,896          |
| 2593                    | Health Program Coordinator III       | 0.79         | 117,840          | 1.00         | 155,571          |
| 2453                    | Supervising Pharmacist               | 0.79         | 190,948          | 1.00         | 252,091          |
| 1822                    | Administrative Analyst               | 0.79         | 94,432           | 1.00         | 124,671          |
| 2591                    | Health Program Coordinator II        | (1.00)       | (123,928)        | (1.00)       | (129,253)        |
| 0931                    | Manager III                          | 1.00         | 187,134          | 1.00         | 195,167          |
| 2586                    | Health Worker II                     | 1.58         | 132,554          | 2.00         | 174,998          |
| 1406                    | Senior Clerk                         | 2.37         | 220,268          | 3.00         | 290,799          |
| 2119                    | Health Care Analyst                  | 1.58         | 192,097          | 2.00         | 253,600          |
| 0942                    | Manager VII                          | 0.79         | 196,815          | 1.00         | 259,839          |
| 1165                    | Manager, Department of Public Health | 0.79         | 251,177          | 1.00         | 331,607          |
| 9993M                   | Attrition Savings - Miscellaneous    |              | (223,013)        |              | (277,839)        |
| Total Salary            |                                      | 11.06        | 1,393,583        | 14.00        | 1,838,870        |
| Fringe                  |                                      | 40.0%        | 556,807          | 36.0%        | 661,677          |
| Total Salary and Fringe |                                      | <b>11.06</b> | <b>1,950,390</b> | <b>14.00</b> | <b>2,500,547</b> |

Character/Subobject Code

|        |                        |      |      |
|--------|------------------------|------|------|
| 527000 | Professional Services  | -    | -    |
| 540000 | Materials and Supplies | -    | -    |
| 581000 | Workorder              | -    | -    |
|        |                        | \$ - | \$ - |

**FY 2023-24 & 2024-25 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: University of California San Francisco (UCSF) Affiliation Agreement Costs

TARGETED CLIENTS: N/A

PROGRAM CONTACT NAME/TITLE: Susan Ehrlich, CEO of ZSFGH

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| -                    | -                                | \$2,910,827                                   | \$18,682,165                                                 |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

Since 1878, the University of California, San Francisco (UCSF) has been providing physician, clinical, and ancillary services to the Zuckerberg San Francisco General Hospital (ZSFG). The services provided by UCSF are outlined in an Affiliation Agreement between the University of California San Francisco and the Department of Public Health (DPH). This initiative increases the budget for the DPH/UCSF Affiliation Agreement by \$2.9 million dollars for FY 2023-24 and \$15.8M for FY24-25 for a cumulative ongoing increase of \$18.7M to reflect changes in costs and revenues for UCSF.

**JUSTIFICATION:**

The supplemental increase to the Affiliation Agreement for FY23-24 is due to negotiations with the Committee on Interns and Residents for a higher wage package than was previously projected with the FY22-24 Affiliation Agreement increase. The increase in Affiliation Agreement costs for FY 2024-25 can be attributed to three factors (1) increases to physician salaries, (2) ongoing increases to clinical staff salaries and (3) flat professional fee revenue. The University of California launched a system-wide mandate increasing faculty salaries over several years to be competitive with market rates to retain faculty. Clinical staff, in areas such as the Clinical Laboratory, Respiratory Therapy, Ward 86 and Psychiatry, are mostly represented under collective bargaining agreements. These bargaining units have negotiated salary increases for their members. Professional Fee revenue has been relatively flat since FY 2015 and does not adequately cover the costs of services provided at ZSFG.

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

None.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

Expenditure appropriation will increase \$2.9M for FY 2023-24 and \$18.7M for FY24-25

**IMPACT ON DEPARTMENT’S WORKFORCE:**

None.

**INITIATIVE TITLE: C1 - University of California San Francisco (UCSF) Affiliation Agreement Costs**

| Description                                                                     |                     | FY 2023-24   | FY 2024-25    |
|---------------------------------------------------------------------------------|---------------------|--------------|---------------|
| <b>Sources:</b>                                                                 |                     | \$ -         | \$ -          |
| Subtotal Sources                                                                |                     | \$ -         | \$ -          |
| <b>Uses:</b>                                                                    | Salary and Benefits | \$ -         | \$ -          |
|                                                                                 | Operating Expense   | \$ 2,910,827 | \$ 18,682,165 |
| Subtotal Uses                                                                   |                     | \$ 2,910,827 | \$ 18,682,165 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> |                     | \$ 2,910,827 | \$ 18,682,165 |
| <b>Total FTE's</b>                                                              |                     | 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                | 0.00                 |
| 0            |                                | 0.00                | 0.00                 |
| 0            |                                | 0.00                | 0.00                 |
|              | Total Salary                   | 0.00                | 0.00                 |
|              | Fringe                         | -                   | -                    |
|              | <b>Total Salary and Fringe</b> | <b>0.00</b>         | <b>0.00</b>          |
|              | Character/Subobject Code       |                     |                      |
|              | 527000 Professional Services   | 2,910,827           | 18,682,165           |
|              | 540000 Materials and Supplies  | -                   | -                    |
|              | 581000 Workorder               | -                   | -                    |
|              |                                | <u>\$ 2,910,827</u> | <u>\$ 18,682,165</u> |

FY 2023-24 & 2024-25 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: DPH Pharmaceuticals and Materials and Supplies Inflation

TARGETED CLIENTS: N/A

PROGRAM CONTACT NAME/TITLE: David Smith, Chief Pharmacy Officer, and Jenny Louie, Chief Financial Officer, DPH

| FY2023-24 FTE Change | FY 2024-25 FTE Cumulative Change | FY 2023-24 General Fund Impact (Savings)/Cost | FY 2024-25 Cumulative Net General Fund Impact (Savings)/Cost |
|----------------------|----------------------------------|-----------------------------------------------|--------------------------------------------------------------|
| -                    | -                                | \$ -                                          | \$10,892,880                                                 |

**PROGRAM DESCRIPTION:** (brief description of proposed change)

This initiative requests annual inflationary adjustments for expenses critical to Department of Public Health (DPH) operation, ensuring that DPH can continue to provide services and treatments to its patients. The Department projects cost increases of 10% for pharmaceuticals and 11% for food.

**JUSTIFICATION:**

Market dynamics over the past five years have been shifting in a way that has caused the pricing of certain pharmaceuticals to rise at an extraordinary rate. Drug expenditures are projected to increase 8-10% nationwide consistently across all settings. Primary causes for increase in expenditures include:

- *Specialty Drugs* – Novel, very expensive specialty treatments for conditions that previously had either limited to no medication therapy options are continually being approved. Specialty drugs are forecasted to be 50 percent of all drug expenditures in 2023. The therapeutic drug classes with the largest increases include autoimmune disorders, mental health, HIV, and oncology.
- *Increased utilization of medications* – Prescription drug 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.

Overall, DPH projects a 10% increase in the cost of pharmaceuticals in FY 2024-25. DPH will continue to utilize tight drug formulary control and aggressive use of lower cost generic drugs to help offset increases in expense.

DPH is also requesting an 11% increase in food costs for FY 24-25 budget. While DPH continues to leverage discounts for its food purchase, the average price of food in the United States increased 11.2% in the twelve months ending September, after jumping 11.4% (the most since May 1979) in the prior year, according to inflation data from the U.S. Labor Department's Bureau of Labor Statistics (BLS).

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

None.

**EXPENSE AND REVENUE IMPACT:** (for both fiscal years)

None

**IMPACT ON DEPARTMENT'S WORKFORCE :**

None.

**ATTACHMENT B  
SUMMARY OF PROGRAM COST**

**INITIATIVE TITLE: C2 DPH Pharmaceuticals and Materials and Supplies Inflation**

| Description                                                                     | FY 2023-24 | FY 2024-25    |
|---------------------------------------------------------------------------------|------------|---------------|
| <b>Sources:</b>                                                                 | \$ -       | \$ -          |
| Subtotal Sources                                                                | \$ -       | \$ -          |
| <b>Uses:</b>                                                                    |            |               |
| Operating Expenses                                                              | \$ -       | \$ 10,892,880 |
| Subtotal Uses                                                                   | \$ -       | \$ 10,892,880 |
| <b>Net General Fund Subsidy Required (savings)/cost<br/>(Uses less Sources)</b> | \$ -       | \$ 10,892,880 |
| <b>Total FTE's</b>                                                              | n/a        | n/a           |

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

| <u>Class</u> | <u>Title</u> | FTE | FTE |
|--------------|--------------|-----|-----|
|--------------|--------------|-----|-----|

**Operating Expenses**

| Character/Subobject Code                           | FY 23-24 | FY 24-25  |
|----------------------------------------------------|----------|-----------|
| 544610 Pharmaceutical Supplies - ZSFG              |          | 5,882,245 |
| 544610 Pharmaceutical Supplies - LHH               |          | 1,805,340 |
| 544610 Pharmaceutical Supplies - Jail Health       |          | 487,851   |
| 544610 Pharmaceutical Supplies - Primary Care      |          | 318,518   |
| 544610 Pharmaceutical Supplies - CBHS              |          | 1,085,368 |
| 544610 Pharmaceutical Supplies - Population Health |          | 44,000    |
| 546990 Food (LHH)                                  |          | 484,495   |
| 546990 Food (ZSFG)                                 |          | 635,907   |
| 527000 Laundry Services & Linen (LHH)              |          | 78,841    |
| 527000 Laundry Services & Linen (ZSFG)             |          | 70,316    |

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