

# DEPARTMENT OF PUBLIC HEALTH FY 2023-25 BUDGET

February 7, 2023

# FY 2023-25 Budget Development

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## **January 17<sup>th</sup>**

- Budget Overview
- Five Year Outlook and Mayor's Budget Instructions
- Major Themes and Goals for two-year budget

## **February 7<sup>th</sup>**

- Detailed proposed initiatives for FY 2023-25
- Request for Health Commission approval of proposed budget for submission

# Approach for FY 2023-25 Budget

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- Leverage additional revenues to meet General Fund reduction targets
- Targeted proposals to expand programs
  - ▣ Revenue Neutral
  - ▣ Investments to Sustain Improvements at Laguna Honda
- Maintain focus on implementation of prior year initiatives

# Revenue Initiatives

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<b>REVENUES</b>		<b>FY 23-24</b>	<b>FY 24-25</b>
		Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
A1	Baseline Revenues for the San Francisco Health Network (SFHN) and Zuckerberg San Francisco General (ZSFG)	(\$51,125,019)	(\$39,830,735)
A2	Expansion of a Fee For Service (FFS) Model at ZSFG	(\$36,668,916)	(\$36,917,326)
A3	Behavioral Health Baseline Revenues and Quality Assurance/Utilization Review	(\$14,510,928)	(\$7,681,053)
A4	Population Health Revenues	\$502,325	\$665,226
<b>TOTAL REVENUES</b>		<b>(\$105,802,538)</b>	<b>(\$87,763,888)</b>

# COVID-19 Response Functions

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	<b>FY 23-24</b>	<b>FY 24-25</b>
	Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
<b>B1 Integrating COVID-19 Response Functions into Ongoing Operations</b>	\$ -	\$ -

- Continues the step down of services & costs from current year
- \$25 M already included in base budget prior year, no net increase from approved base
- Assumes core level of services to ensure continued surveillance and that health disparities are not exacerbated, with a focus on vulnerable communities
- Retains critical capacity built during COVID to respond to emerging and urgent public health threats
- Supports increase operating costs for SFHN hospitals and clinics

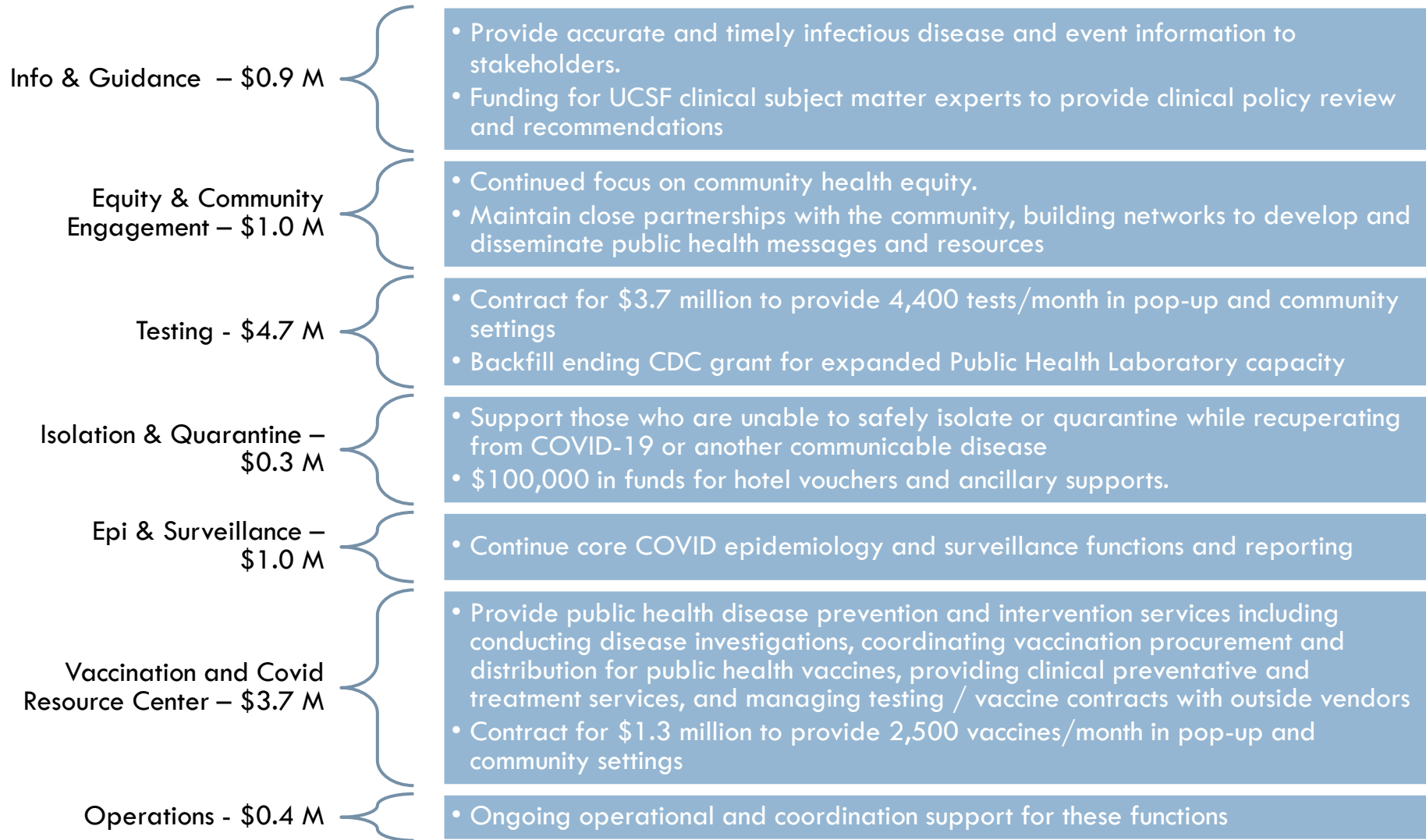
# COVID-19 Response – Summary

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DPH Continued COVID-19 Response						
Program	FY 2022-23 FTE	FY 2022-23	FY 2023-24 FTE	FY 2023-24	FY 2024-25 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>

# COVID-19 Response – PHD and Taskforce Response

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# COVID-19 Response – SFHN Operations \$13 M

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Zuckerberg San  
Francisco General  
- \$8.9 M

- Increased staffing to
  - Maintain access, meet ratios and regulatory requirements
  - Occupational Health Clinic to support DPH staff
  - Maintain a psychiatrist in the Emergency Department for screening and testing protocols for potential Psychiatric Emergency Services (PES) patients
  - Increased capacity in the infectious disease clinic

Laguna Honda  
Hospital  
- \$1.8 M

- Increased staffing to
  - Support outbreak management, infection control
  - Test patients and staff
  - Address enhanced sanitation requirements

Primary Care  
- \$2.3 M

- Increased staffing to
  - Support clinic access and support vaccinations in the clinics
  - Expand call center support for SFHN patients who may have symptoms, be exposed or test positive



# Mental Health Services Act

	<b>FY 23-24</b>	<b>FY 24-25</b>
	Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
<b>B2 Mental Health Services Act</b>	\$ -	\$ -

- Based on 1% tax on personal income over \$1 million
- Due to revenue fluctuations and ability to rollover funds, counties manage spending over multiple years

<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 as 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	5,000,000	5,000,000	10,000,000
Capital Improvements (one-time)	2,535,138	-	2,535,138
Innovation (one-time)	300,000	-	300,000
Prevention and Early Intervention (one-time)	1,500,000	-	1,500,000
MHSA Reserve (one-time)	10,000,000	-	10,000,000
<b>Total</b>	<b>32,012,232</b>	<b>17,677,094</b>	<b>49,689,326</b>

# Endoscopy Services and Trauma Standards Compliance

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	<b>FY 23-24</b>	<b>FY 24-25</b>
	Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
<b>B3 Endoscopy Services and Trauma Standards Compliance</b>	<b>(\$180,254)</b>	<b>(\$317,157)</b>

- Adds staff to expand Gastrointestinal Endoscopy rooms
- Improves access and creates revenue
- Includes 2.0 FTE to meet regulatory standards for staffing performance improvement and injury prevention
- Approximately \$1.8 million of expenditure increase offset by revenue annually

# CalAIM - Enhanced Care Management

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	FY 23-24		FY 24-25	
	Net GF Impact (Savings)/Cost		Net GF Impact (Savings)/Cost	
B4 CalAIM Enhanced Care Management Expansion	\$	-	\$	-

- Continued rollout and expansion of populations of focus
  - January 2023 - Enhanced Care Management will expand to people at risk of long-term institutionalization
  - Starting in 2024 expand justice system involved people
- 12.0 FTE will
  - Serve people exiting the hospital to set-up medical supports in the community
  - Offer intensive, community based coordination to individuals re-entering the community from incarceration
  - Serve patients moving from the street into housing by augmenting the Street Medicine team
- \$1.8 million of expenses offset by revenue

# Investments at Laguna Honda

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	<b>FY 23-24</b>	<b>FY 24-25</b>
	Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
<b>B5 Investments to Sustain Improvements at Laguna Honda Hospital</b>	<b>\$1,950,390</b>	<b>\$2,500,547</b>

- Laguna Honda is current implementing action plan as part of recertification which includes hundreds of process improvements
- To support and sustain these efforts the budget will include:
  - 3.0 FTE – Care Experience and Grievance Team
  - 5.0 FTE – Department of Education and Training
  - 1.0 FTE – Medication Safety Officer
  - 1.0 FTE – Quality Management Analyst
  - 2.0 FTE – SFHN Leadership – Chief Nursing Officer and Care Experience
- Additional requests may be developed as recertification efforts progress

# Inflationary Costs

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		<b>FY 23-24</b>	<b>FY 24-25</b>
		Net GF Impact (Savings)/Cost	Net GF Impact (Savings)/Cost
C1	University of California San Francisco (UCSF) Affiliation Agreement Costs	\$ 2,910,827	\$ 18,682,165
C2	DPH Pharmaceuticals and Materials and Supplies Inflation	\$ -	\$ 10,892,880

# Balancing Summary

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DPH Budget Proposal	FY 23-24 General Fund (Savings)/ Cost	FY 24-25 General Fund (Savings)/Cost	Two-Year Total
<b>General Fund Reduction Targets</b>	\$ 49,701,000	\$ 79,521,000	
<b>Less Revenue Assumed in Budget</b>	\$ 20,341,368	\$ 35,865,700	
<b><i>Total Targets</i></b>	<b>\$ 70,042,368</b>	<b>\$ 115,386,700</b>	
<b>Revenue</b>	\$ (105,802,538)	\$ (83,763,888)	
<b>Revenue Neutral / Emerging Needs</b>	\$ 1,770,136	\$ 2,183,390	
<b><i>Total Proposed</i></b>	<b>\$ (104,032,402)</b>	<b>\$ (81,580,498)</b>	
<b>Net (Savings)/Cost</b>	<b>\$ (33,990,034)</b>	<b>\$ 33,806,202</b>	<b>\$ (183,832)</b>

# Other Proposals Still in Development

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## Proposition C

- Projected shortfall in revenues
- Currently sufficient one-time savings to carry programs through the two year budget, but long term plan needed to sustain \$100 M spending plan

## CARE Courts

- New state program to connect clients struggling with untreated behavioral health issues with a court-ordered Care Plan
- BHS will be responsible for the clinical evaluation of clients and development of care plan for referred individuals
- Set to start October 2023

## Wellness Hubs

- Drop-in setting that provides overdose prevention services and linkage to treatment, housing and benefits
- Pending program and legal implementation plan

## Opioid Settlement Funds

- Settlements in the process of being finalized and City Attorney is developing guidelines
- One-time funding to be disbursed over several years. Possible uses can include
  - i. address or prevent the misuse and risks of opioid products
  - ii. treat or mitigate opioid use or related disorders, or
  - iii. mitigate other alleged effects of the opioid epidemic

# Next Steps

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- February 21st: Submission to Controller and Mayor's Office
- March – May (Mayor Phase)
  - ▣ Develop additional initiatives
  - ▣ Monitor the Citywide budget and, if necessary, respond to additional instructions as necessary
- June 1: Mayor's Proposed Budget
- June – July: Board Review of Budget