

Paper distributed by the Coalition on Homelessness at the Board of Supervisors Budget Committee on 3/25/09:

#### FEDERAL MEDICAID ASSISTANCE PROGRAM (FMAP)

##### Main Talking Points:

- The existing cuts are devastating [use your own examples], and stimulus funding is an opportunity to save the very same programs that San Franciscans need now more than ever.
  - This funding was designed to save existing programs; it would be contrary in spirit to the legislation and fiscally irresponsible to spend it on anything else. [See the Obama quote below.]
  - **Keep in mind** that we do not yet know the Mayor's Office's plans for the funding. We do not need to take an oppositional stance unless they officially attempt to allocate the funds toward one-time expenditures. We are encouraging the Mayor's Office to do the right thing.
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##### Background

As part of the Federal stimulus package (American Recovery and Reinvestment Act of 2009), temporary increases to Federal Medical Assistance Percentages (FMAP) were made. These are Federal match funds for Medicaid and other services and help pay for health care for the families and individuals struggling during the economic crisis. The total increase nationally is \$15 billion.

##### Impact in San Francisco

In San Francisco, programs within both the Department of Public Health and the Human Services Agency generate this funding. Program activities such as mental health treatment through Short Doyle under Department of Public Health, as well as In-Home Support Services under the Human Services Agency, all generate FMAP funds. Estimated funding inside the Department of Public Health is at least \$27 million and may be more depending on action taken at the state level. The Human Services Agency's exact amount is also unknown, but is estimated to be at least \$30 million.

This funding creates an opportunity to offset some of the more devastating impacts of budget cuts. Currently, the Mayor's office is deciding on a case-by-case basis which stimulus funds can be used for on-going programs. The FMAP funding for DPH is tentatively to be used to

offset \$27 million of the \$100 million in program reductions being asked of that department. This decision is pending Mayoral approval. However, the state must release the funds impacting Human Services Agency, and then the Mayor must decide to use those funds to offset human service, housing and homeless program reductions.

#### Intention of Funds

On February 23<sup>rd</sup>, 2009, President Obama told the Nation's Governors at the White House when announcing the increase and release of FMAP funds, "This plan will also help ensure that you don't need to make cuts to essential services American rely on now more than ever."

#### Action Needed:

April 1<sup>st</sup>: State Legislators trigger the release of funds  
April 2<sup>nd</sup>: Mayor Newsom allows this funding to offset critical health and human services budget reductions. This will partially assist with Health Department shortfalls (funds above \$27 million) and could eliminate all program reductions inside the Human Services Agency.