



DPH Meeting with Community Based Organizations: FY15-17 Budget and Updates March 2, 2015

Today's Discussion

- Welcome to Budget and DPH Update Meeting
- FY15-16 and FY16-17 Budget Highlights
 - Full presentation at the Health Commission on Tuesday, March 3, 2015
- DPH Internal Changes and Updates (related to contracts)
 - Centralized DPH Business Office
 - System Planning

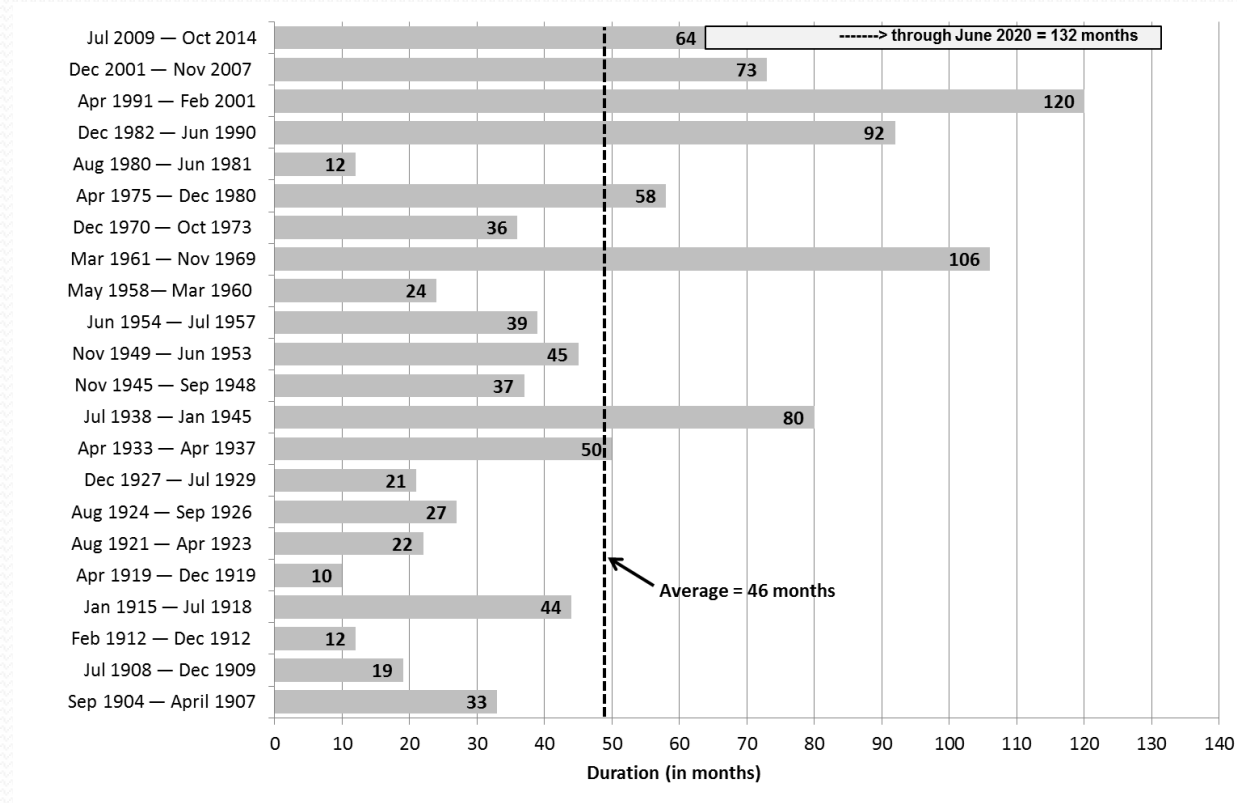


FY15-16 and FY16-17 Budget

FY15-17 Financial Outlook

- City General Fund situation continues to improve, but still facing modest \$15.9 and \$88.3 M deficits for FY 15-16 and FY 16-17, respectively
- City departments have 1⁰% reduction target for year 2. (\$6.2 M for DPH)
- Mayors Instructions to prioritize proposals to address
 - Fiscal Sustainability and Government Efficiency
 - Government Responsiveness
 - Affordability, Equity, and Shared Prosperity
 - Addressing Population Growth
 - Focus on Vulnerable Populations

Recession Scenario



- Since 1900, average length of time between recessions has been 46 months. The current economic expansion has lasted over 64 months.
- If no recession through FY20, it will mark the longest economic expansion since 1900.

Challenges Ahead for DPH

- Revenue Uncertainty
 - Disproportionate Share Hospital Revenue Loss
 - Realignment “Claw Back”
 - Dual Eligibles Managed Care Conversion Pilot
 - 1115 Medi-Cal Waiver
- Strengthening information systems
 - Fully supporting current operations
 - Implementing ICD-10
 - Developing integrated electronic medical record
- Investing in Population Health
- Opening the new San Francisco General Hospital
- Continuing focus on access and patient retention

DPH Budget Strategies - Access

Continued implementation and follow-through on past initiatives

- Significant prior year investments in DPH's service delivery system over the past two budgets in anticipation of the ACA to improve and expand access
- Preparing for the New San Francisco General Hospital

DPH Budget Strategies – Vulnerable Populations

- Maintaining Community Programs Funding by restoring remaining \$8.8 M reduction
- Increasing access to housing and respite services
- Investing in Population Health
- Implementing African American Health Initiative
- Getting to Zero to eliminate new HIV infections

DPH Budget Strategies – Strengthening IT Infrastructure

Long-Term Investments In Information Systems for Financial Health

- Act on recommendations from prior studies to strengthen and modernize basic infrastructure
- Implement ICD-10
- Develop an integrated electronic medical record
- Minimize financial risk due to unsupported billing programs

DPH's Health Commission Budget Hearings Schedule

February 3 Health Commission Budget Hearing

- Meets Mayor's year 2 General Fund savings target
- Restores prior-year reduction to the Community Programs RFP budget

March 3 Health Commission Budget Hearing

- Includes additional proposals to improve access, strengthen our infrastructure and support the City's most vulnerable populations

Additional Health Commission Budget Hearing

TBD: April/May 2015

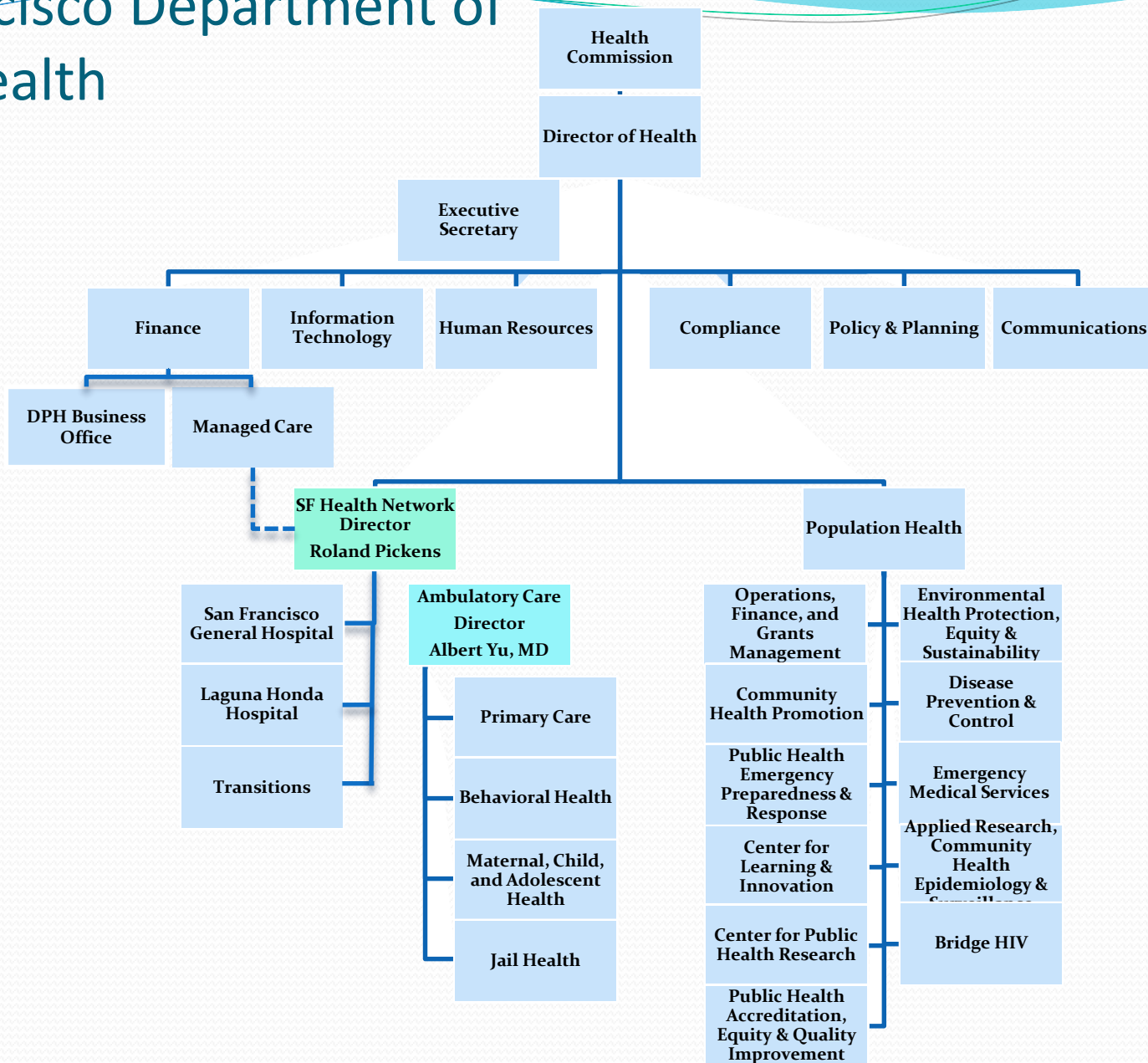
Final Steps of Budget Review

- June 1 – Mayor's Balanced Budget Submission
- June – Board of Supervisors Budget (BOS) Hearings
- Mid-July – Final BOS approval of Budget



DPH Internal Changes and Updates

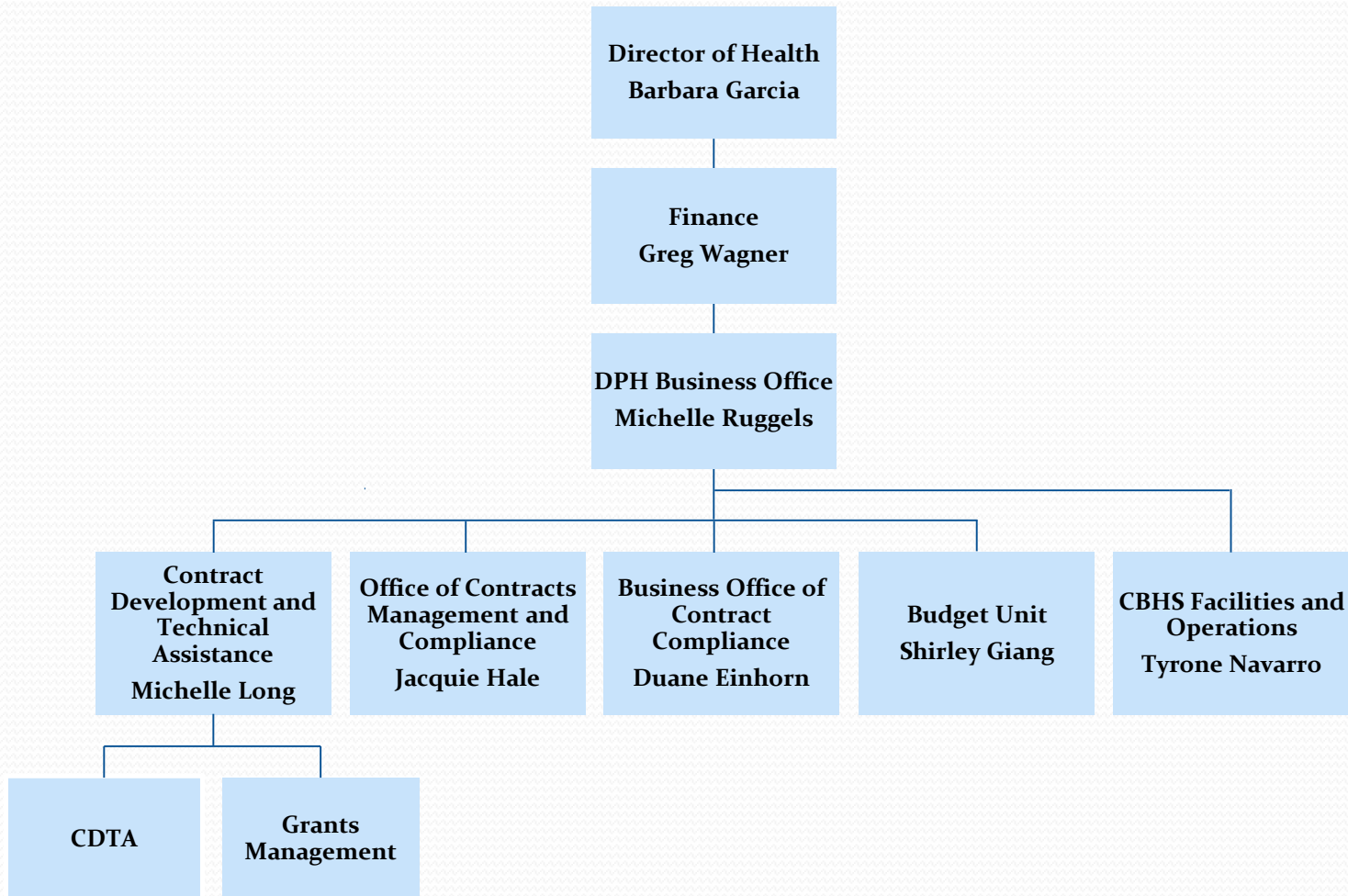
San Francisco Department of Public Health



Centralization of DPH Contracting Functions: DPH Business Office

- This Feb, 2015 reorganization does the following: (a) merges the CP Business Office and the Office of Contracts Management and Compliance into the *DPH Business Office*, and (b) consolidates it under DPH's Central Office. As a result, all parts of the contracting process are now within the same reporting and operational structure.
- This reorganization will ensure a broader application of existing procedures, processes, and best practices to include all DPH contracts, as applicable, thereby leading to a uniform application of best practices across both the Business Office and the Department.
- This reorganization is in alignment with the Department's broad and continued efforts to become a unified and comprehensive delivery and public health system.

Department of Public Health Business Office



Of Note:

- Duane Einhorn, Director of the Business Office of Contract Compliance (BOCC), is retiring effective March 11, 2015.
- Michelle Long, Director of the Contract Development and Technical Assistance (CDTA) section will direct both the BOCC and CDTA, until a hiring process is complete for Duane's replacement.
- Tom Mesa of BOCC will manage day-to-day operations of the BOCC unit.

Update: RFP's and System Planning in FY15-16

- The Department has restored the balance of the \$17.5 million CBO reduction anticipated for FY15-16.
- DPH has an obligation to issue competitive bids to meet City legislative requirements. There are many expirations in FY15-16, including the CBHS “Mega”.
- As many of you are aware, the Department has been obtaining feedback through Focus groups on how the Department may be best able to align its contracted services with the requirements of the Affordable Care Act (ACA) and population health based commitments.
- DPH's contracted community based services are critical to achieving ACA's requirements. Therefore, the planning efforts are very important, and we thank you for your past, current and future participation.

Update: RFP's and System Planning in FY15-16 Con't

- To meet both solicitation requirements, as well as system planning needs, here is what is happening now, and into the next Fiscal Year:
 - DPH's contractual (CBO) services all have identified RFP expiration dates
 - Services that are expected to have minimal change, will go out to bid per required RFP due dates
 - Services that are anticipated to have more significant changes, depending on RFP expiration dates, may be extended through a Sole Source to allow further planning.
 - DPH managers will be brought together in April to review focus group recommendations collectively, and will enter into a discussion to prioritize areas for further planning, with the end product likely becoming a set of RFP documents to reflect priority areas.
 - Following this meeting, an RFP schedule will be determined that will identify services that are expected to have minimal change. This schedule will be shared with the contractors, as will the next steps for the "priority areas".
- Note: focus group feedback is being recompiled into a template format, and will be posted in March, for public input.



Questions?