

Health Commission Principles to Guide Budget Reductions

Adopted February 17, 2009

PREAMBLE

The Department of Public Health is committed to improving the health of all San Franciscans. In order to accomplish this goal, the Department funds programs inside DPH and in communities across the city. These partnerships enable us to provide the highest quality health services in all neighborhoods of the City. In order to accomplish these goals in challenging fiscal times, it is necessary to set budget priorities. The priorities and policies that govern health funding in San Francisco require the active involvement of the Health Commission, the Health Department staff, community partners, the Mayor, the Board of Supervisors and the public. The policies and budget assumptions for 2009-2010 are:

- The Health Department operates, and plans to rebuild, an acute care hospital and trauma center, and must meet all regulatory requirements in order to do so.
- The Health Department operates, and is currently rebuilding, a long-term care facility, and must meet all regulatory requirements in order to do so.
- The Department has a County and State mandated role to control the spread of communicable illness, including tuberculosis, sexually transmitted diseases, HIV/AIDS. These activities must be adequately funded to fulfill this role.
- Healthy San Francisco is a citywide priority, and the Health Department operates a primary care network that is critical to the success of Healthy San Francisco.
- The Health Department depends on successful partnerships with community based organizations.
- The Health Department is committed to community-based alternatives to institutional and long-term care.
- A number of Health Department budget allocations are used to draw down State and Federal funds.
- The Department is developing measures and outcomes for all programs that it operates and funds.
- Cultural and linguistic competency is integral to effective service delivery by both city-operated and contracted services.

Given the above budget assumptions, which must be adequately funded, the budget principles that are adopted by the Health Commission will be applied to the remaining portion of the budget.

Revenue

1. The Department shall develop a budget to include revenue increases to the maximum extent possible.
2. The Department shall ensure that fee-based programs will have fees set to recover costs, and those programs that are financially self-sustaining will be exempt from cuts (e.g., immunization clinic, outpatient dialysis), although cost reductions within them can be considered.
3. The Department will minimize cuts to leveraged services whose General Funds draw down MediCal, state and federal funding, grants, etc.

4. Any reduction in the General Fund will be presented in the context of other revenues, including grants, for the identified services.

Vulnerable Populations

5. In proposing cuts the Department will minimize the impact on vulnerable populations. We define vulnerable populations as low income persons with the following characteristics:
 - Lowest Income: Prioritize services for the very poor over services for the poor.
 - More Severe Illness: Prioritize services for those with serious illness over those with moderate illness.
 - Health Disparities: Prioritize services addressing populations with known disparities over programs serving the general population.
 - Homeless: Prioritize services for the homeless over the housed.
6. Given that most clients we serve fit at least one of these characteristics, clients fitting multiple categories would be judged to be more vulnerable than other persons.
7. The Department will identify those vulnerable persons most likely from history or condition to need institutional care, and maintain community-based services and support for those persons to avoid higher-end costs.

Core Functions

8. In proposing cuts, the Department will focus on its core functions:
 - to assure a primary care home for every uninsured and underinsured person, and maintain the physical and behavioral healthcare safety net for low-income, vulnerable populations,
 - to provide emergency care for accidents and diseases that are life-threatening,
 - to protect the public's health through education and infectious disease control.
9. The revised DPH Strategic Plan now incorporates the four priority Community Benefit Partnership goals into the plan: Access to Care, Communicable Disease Control, Chronic Care Management, and Violence Prevention. DPH and our community partners must work together to address these priorities.

Primary Care Teams

10. In the near future, valuable services such as housing, skilled nursing care, diagnostics, medical specialty care, and home health care should be treated as specialty care; that is, the need for the care should be defined by the interaction between the primary care provider and the patient. Use of these resources should be coordinated by the primary providers, thereby minimizing duplication and ensuring equity of service delivery.
11. In the near future, primary care teams for severely mentally ill persons should include multidisciplinary approaches to manage chronic conditions and promote recovery and wellness in community settings.

Service Reductions

12. The Department will identify those services of the highest priority where no cuts will be recommended and those services of moderate priority where some cuts can be recommended.

13. The Department will continue to fulfill its legally mandated functions, although we may recommend cuts to fulfill this mandate at lower expenses.
14. When making service cuts, the Department will try to mitigate them by substituting a less expensive level of service for the same population, or look for opportunities to provide a similar service at a lower cost.
15. In proposing cuts, the Department will take into account the availability and capacity of other providers in the community who can offer the same or alternative services for the same population.
16. Budget cuts should directly address the need in today's economy for efficiency of scale, so the Department will identify savings from service efficiencies and coordination, consolidation of functions and structures, and administrative streamlining.
17. Budget principles and reductions will apply equally to providers of identified services, regardless of whether they are operated by city or contract staff.
18. In proposing cuts, the Department will consider the ease or difficulty of growing services back when there is additional funding.

Budget Approval Process

In proposing budget cuts or funding restorations, the following questions should be answered by staff in the presentation to the Commission and the public:

- Priorities and Principles Review How do these reductions (and/or restorations) relate specifically to the priorities and principles set by the Health Commission and the Director for improving the health of all San Franciscans. (What are the impacts of this budget action on those strategic priorities; are they congruent with stated priorities?)
- Effectiveness review What are the effectiveness and efficiency evaluations for the programs proposed for reductions or restorations as compared with other similar programs. (How effective and efficient is this program in meeting the goals referred to above, stipulated in RFPs and contracts, etc.)
- Systematic review How might these services be provided by other partners (public, private, non-profit) in our community.