

San Francisco
Department of Public Health



**DPH Meeting with
Community Based
Organizations: FY16-18
Budget and Updates
December 9, 2015**

Today's Discussion

- Welcome to Budget and DPH Update Meeting
- FY16-17 and FY17-18 Budget
- Updates to DPH Contracting



FY16-17 and FY17-18 Budget

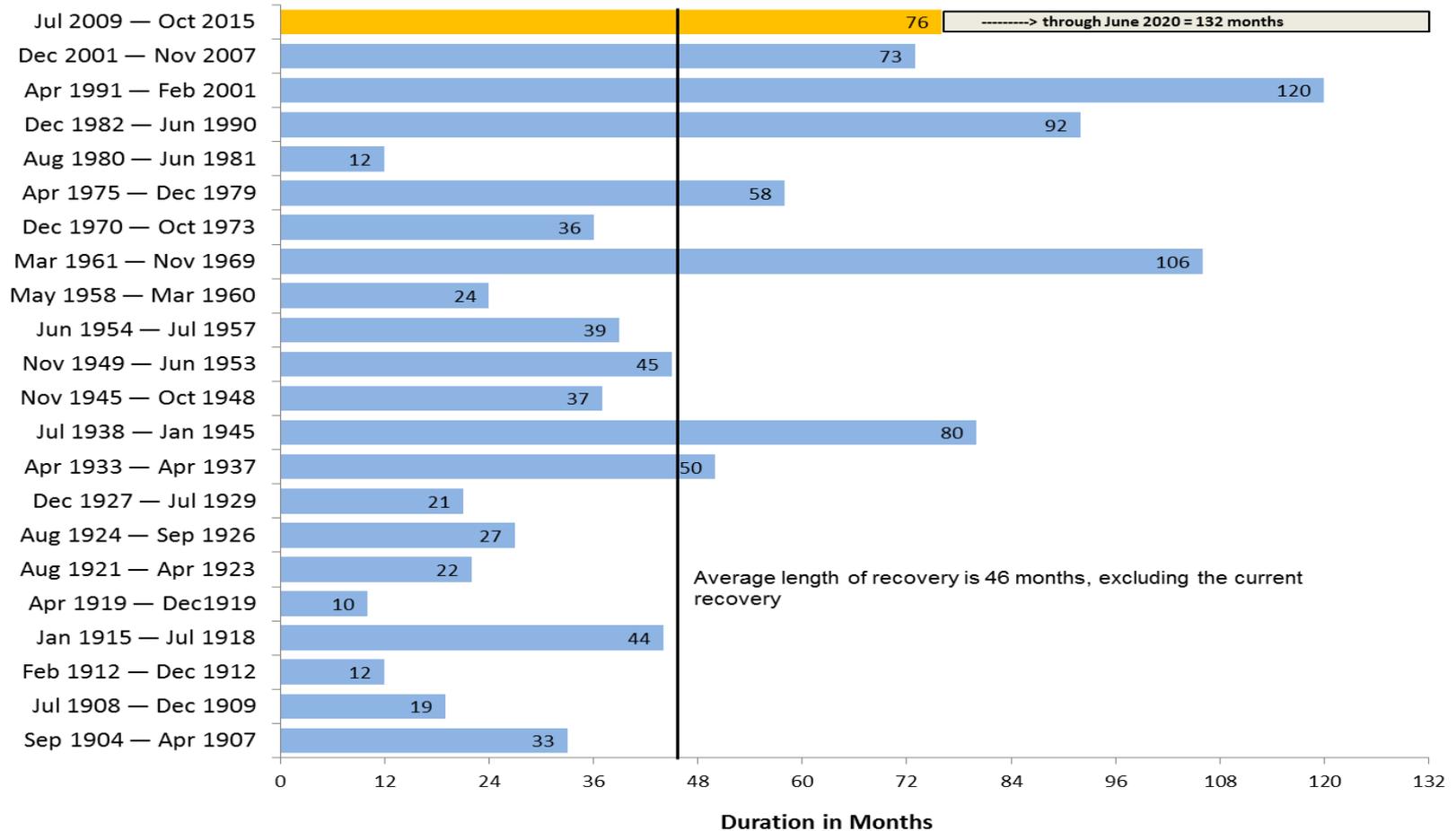
FY16-18 Financial Outlook

- City General Fund situation continues to improve, but still facing deficits of \$99.8 and \$240.2 M deficits for FY 16-17 and FY 17-18, respectively.
- Revenue growth strong over the period (9.5%); but is outpaced by expenditure growth (21%)
- Includes 2.5% CODB increase in FY 16-17 for nonprofit contractors as proposed in prior year budget process. Future adjustments are still to be determined
- Major drivers of the projected deficit:
 - Increase in employer retirement contributions to employee pensions
 - Voter approved propositions and set-asides

Mayor's Budget Instructions

- City departments propose 1.5% ongoing GF reductions year 1 and an additional 1.5% ongoing reduction in year 2. (\$9.5 and \$19.2 M for DPH)
- Reflect the priorities and programmatic goals identified in each department's proposed five year strategic plan
- Support the development of a modern, responsive and engaged government:
 - Public trust and civic engagement
 - Public experience of city services
 - Performance, accountability, investing in what works
 - Giving employees the tools to do their best work
- Minimize service impacts
- Identify and pursue opportunities for cross-departmental collaboration

Recessions Scenario



Source: National Bureau of Economic Research (NBER)

- Since 1900, average length of time between recessions has been 46 months. The current economic expansion has lasted over 76 months.
- If no recession through FY20, it will mark the longest economic expansion since 1900.

Areas of Focus for DPH in FY 16-18

- 1115 Medi-Cal Waiver Revenue and Milestones
- Selecting and implementing a new integrated electronic medical record
- Opening the new San Francisco General Hospital
- Continuing focus on access and patient retention
- Creation of the Department of Homelessness

DPH's Health Commission Budget Hearings Schedule

- February 2 – First Health Commission Budget Hearing
- February 16th – Second budget Hearing
- June 1 – Mayor's Balanced Budget Submission
- June – Board of Supervisors Budget (BOS) Hearings
- Mid-July – Final BOS approval of Budget



Updates to DPH Contracting

RFP's and System Planning in FY15-16 and FY16-17

- There are a number of contracts that are set to expire as of 12/31/15 (many from the CBHS “mega RFP”).
- There has been a system planning process, started but not completed, to evaluate the Department’s service needs under the Affordable Care Act and other Statewide changes. Planning has concluded in some areas, but not in others.
- Contractors will be updated on conclusions from the planning process and next steps. In the meantime...
- The Department is in the process of requesting sole source extensions through 12/31/17 for all expiring contracts. Contracts exceeding \$10 million over the term of the funding require approval by the Board of Supervisors. Most have already gone.
- The goal is to issue RFP's on a rolling basis, with some RFPs to be issued in FY15-16, and effective as of July 1, 2016 (FY16-17), with others staggered to begin by July 1, 2017.

Focus for DPH Contracts in FY 16-18

- Improving Medi-Cal Documentation
- Early Identification of financial issues with contracts



Questions?