

[Appropriation - Support for HIV Prevention - Department of Public Health - \$801,600 - FY2014-2015]

Ordinance appropriating \$801,600 from the General Fund Reserve to the Department of Public Health in FY2014-2015, for HIV prevention support for access to PreExposure Prophylaxis medication to assist in the prevention of HIV infection transmission.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double underlined Arial font.
Board amendment deletions are in ~~strikethrough-Arial font~~.
Asterisks (**)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The sources of funding outlined below are herein appropriated to reflect the funding available in Fiscal Year 2014-2015.

SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
1G AGF AAA	GENRESERVE	99999R	GENERAL FUND	\$801,600
GF- NON-PROJECT- CONTROLLED			RESERVE	
Total SOURCES Appropriation				\$801,600


1 Section 2. The uses of funding outlined below are herein appropriated in Fiscal Year
2 2014-2015 for HIV prevention support for access to PreExposure Prophylaxis medication to
3 assist in the prevention of HIV infection transmission.
4

5 **Uses Appropriation**

6	Fund	Index/Project Code	Subobject	Description	Amount
7	1G AGF AAA	HCHPDSTDSVGF	02700	PROFESSIONAL AND	\$301,600
8	GF- NON-PROJECT-			SPECIALIZED	
9	CONTROLLED			SERVICES	
10					
11	1G AGF AAA	HCHPDSTDSVGF	04461	PHARMACEUTICAL	\$500,000
12	GF- NON-PROJECT-			SUPPLIES	
13	CONTROLLED				
14	Total USES Appropriation				\$801,600

15
16 Section 3. The Controller is authorized to record transfers between funds and adjust
17 the accounting treatment of sources and uses appropriated in this Ordinance as necessary to
18 conform with Generally Accepted Accounting Principles.
19

20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: 
23 THOMAS OWEN
24 Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

22 By: 
23 BEN ROSENFELD
24 Controller

Item 4 File 14-1000	Department: Department of Public Health
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objective</p> <ul style="list-style-type: none"> • The proposed substitute supplemental appropriation ordinance would appropriate \$602,400 from the General Fund Reserve to DPH for HIV-prevention support in FY 2014-15, including (a) \$452,400 for new Navigator positions to assist patients in accessing pre-exposure prophylaxis medication such as Truvada, to assist in the prevention of HIV infection transmission, and (b) \$150,000 for an education awareness program that supports education, data collection, training for patients and providers, and/or a hotline for patients who take this medication. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • New Navigator positions would be selected by DPH through a Request for Proposal (RFP) process for non-profit organizations to target HIV-prevention and support in community-based organizations, by assisting patients with: (1) Insurance and Medical Provider Selection, (2) Paperwork Assistance, (3) Case Management, and (4) Education. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The \$452,400 is estimated to fund approximately 12 Navigator positions at an estimated annual salary and fringe benefit cost of \$65,000 per position for approximately seven months in FY 2014-15, or from approximately December 1, 2014 through June 30, 2015. The total annual cost of the 12 Navigator positions is estimated at \$780,000. • The actual costs of each Navigator, the number of Navigators, the location of the Navigators and the timing of the hiring of the Navigators will depend on the results of the RFP process, yet to be developed and conducted by DPH. • The requested \$150,000 to create educational and media materials on safe sex practices and increase community awareness of the availability of Truvada is also dependent on the results of a RFP process, which has also not yet been developed or conducted by DPH. • The General Fund Reserve currently has a balance of \$58,020,643. There is also a pending ordinance to appropriate \$2,400,000 of General Fund Reserve for immigrant defense services for youth. Approval of this request of \$602,400, and the \$2,400,000 pending legislation, would leave a remaining General Fund Reserve balance of \$55,018,243. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Amend the proposed substitute ordinance to place the requested \$602,400 in General Fund monies on Budget and Finance Committee reserve, pending submission to the Budget and Finance Committee of specific budget details and implementation plans based on the results of the RFP processes to obtain Navigators and educational materials. • Approval of the proposed substitute ordinance, as amended, is a policy decision for the Board of Supervisors. 	

MANDATE STATEMENT

In accordance with Charter Section 9.105, after the Controller certifies the availability of funds, amendments to the Annual Appropriation Ordinance are subject to the Board of Supervisors approval.

BACKGROUND

The Department of Public Health (DPH) estimates that there are approximately 60,000 Human Immunodeficiency Virus (HIV)-negative people in San Francisco who are at high-risk of becoming HIV positive.¹

Manufactured by the pharmaceutical company Gilead Sciences Inc. (Gilead), Truvada is a new pre-exposure prophylaxis drug, targeted to HIV-negative people at high-risk of becoming HIV positive. According to DPH, Truvada is 90% effective in preventing the transmission of HIV in adults. However, Truvada currently costs approximately \$15,000 a year, a portion of which may be paid by an individual’s insurance depending on the type of coverage. According to Ms. Colleen Chawla, Director of Policy and Planning for DPH, Anthem Blue Cross (a Medi-Cal and private insurance provider), Kaiser, Blue Shield, Health Net, Chinese Community Health Plan and San Francisco Health Plan (a Medi-Cal provider) all cover Truvada, at varying costs. Truvada is currently free for individuals with Medi-Cal coverage.

DETAILS OF PROPOSED LEGISLATION

The proposed substitute² supplemental appropriation ordinance would appropriate \$602,400 from the General Fund Reserve to DPH for HIV-prevention support in FY 2014-15, as summarized in Table 1 below.

Table 1: Sources and Uses of Funds

Sources of Revenues	
General Fund Reserve	\$602,400
Uses of Expenditures	
Professional and Specialized Services-access to medications	\$452,400
Professional and Specialized Services-education awareness	<u>150,000</u>
Subtotal	\$602,400

¹ San Francisco Department of Public Health, “HIV/AIDS Epidemiology Annual Report: HIV Epidemiology Section,” 2010, Table 1.5, page 7.

² Currently pending before the Budget and Finance Committee, the original File 14-1000 supplemental appropriation ordinance totaled \$801,600. However, the Office of the Sponsor of the proposed ordinance advises that the Controller’s Office drafted a substitute ordinance specifying a total amount of \$602,400, which will be introduced at the October 22, 2014 Budget and Finance Committee meeting. This Budget and Legislative Analyst report addresses the substitute ordinance.

The proposed substitute ordinance is intended to appropriate (a) \$452,400 for access to pre-exposure prophylaxis medication such as Truvada, to assist in the prevention of HIV infection transmission, and (b) \$150,000 for an education awareness program that supports education, data collection, training for patients and providers, and/or a hotline for patients who take this medication.

\$452,400 for access to pre-exposure prophylaxis medication

According to Ms. Chawla, \$452,400 of the total \$602,400 would be used to pilot a new program to fund Navigator positions to help HIV-negative patients learn about comprehensive preventative care and to obtain new effective drug treatments like Truvada.

According to the Office of the Sponsor of the proposed ordinance, such Navigator positions would be selected by DPH through a Request for Proposal (RFP) process targeted to existing non-profit organizations which would place these Navigator positions in community-based organizations, such as Glide Memorial, Mission Neighborhood Health Center, Planned Parenthood or the AIDS magnet clinic. The new Navigator positions would have the following four primary responsibilities:

- 1) Insurance and Medical Provider Selection: Navigators would help HIV-negative patients assess their existing insurance coverage, costs, co-payments and deductibles and assist patients in enrolling in the most appropriate healthcare insurance plan, attempting to ensure that medications including Truvada, are covered by an insurance plan, and then connecting patients with a covered medical provider who may prescribe Truvada.
- 2) Paperwork Assistance: Navigators would assist patients in completing required insurance, co-payments, prescription and drug manufacturer program assistance paperwork to receive preventative medication at the lowest possible cost.
- 3) Case-management: Navigators would follow-up with HIV-negative patients to ensure the prescribed preventative medications and measures are being followed.
- 4) Education: Navigators would advocate for safe-sex practices, such as the use of condoms, and provide other educational materials.

A primary responsibility of the Navigators would be to help HIV-negative patients enroll in an insurance plan that covers the cost of Truvada, with minimum co-payments and direct costs by the patient. For example, individuals who currently enroll in a Covered California Bronze plan may have co-payments between \$450 and \$520 a month for use of Truvada, with varying monthly premium costs. In contrast, individuals currently enrolled in a Covered California Silver plan may have co-payments between \$71 and \$250 a month, with varying monthly premium costs. In addition, Gilead currently offers \$300 a month in co-payment assistance for HIV-negative patients using Truvada.

\$150,000 for an education awareness program

DPH would use the remaining \$150,000 out of the total requested \$602,400 to create educational and media materials on safe sex practices. According to the Office of the Sponsor of the proposed ordinance, DPH would select an organization through a similar RFP process to

create print and other media campaigns, such as a patient hotline, in order to increase community awareness regarding the availability of Truvada.

FISCAL IMPACT

The proposed substitute ordinance would appropriate \$452,400 to DPH to contract with various nonprofit organizations, based on the results of a RFP process, to hire Navigator positions to assist people at high-risk of becoming HIV positive towards effective preventative measures. As shown in Table 2 below, this \$452,400 General Fund request is estimated to fund approximately 12 Navigator positions based on an estimated annual salary and fringe benefit cost of \$65,000 per position and assuming costs would be incurred for approximately seven months in FY 2014-15, or from approximately December 1, 2014 through June 30, 2015. As shown in Table 2 below, the total annual cost of the 12 positions is \$780,000.

Table 2: Estimated Cost for 12 Navigator Positions in FY 2014-15

Navigator Positions	Estimated Cost
Annual Salary	\$50,000
Fringe Benefits (30% of salary)	<u>15,000</u>
Subtotal Annual Position	\$65,000
12 Navigator Positions-Annual Cost in FY 2014-15	\$780,000
Prorated for approximately 7 Months in FY 2014-15	\$452,400

However, the actual costs of each Navigator, the number of Navigators, the location of the Navigators and the timing of the hiring of the Navigators will depend on the results of the RFP process, yet to be developed and conducted by DPH.

The proposed substitute ordinance would also appropriate \$150,000 to create educational and media materials on safe sex practices and increase community awareness of the availability of Truvada. The specific use and allocation of the \$150,000 will also be dependent on the results of a RFP process, which has also not yet been developed or conducted by DPH.

Given that the specific allocation of the requested \$602,400 (\$452,400 + \$150,000) General Fund monies to be appropriated has not yet been determined, the Budget and Legislative Analyst recommends that the entire \$602,400 be placed on Budget and Finance Committee reserve, pending submission of specific budget details and implementation plans based on the results of the RFP process.

The General Fund Reserve currently has a balance of \$58,020,643. There is also a pending ordinance to appropriate \$2,400,000 of General Fund Reserve for immigrant defense services for youth. Approval of this request of \$602,400, in addition to the \$2,400,000 pending legislation, would leave a remaining General Fund Reserve balance of \$55,018,243.

POLICY CONSIDERATIONS

The proposed ordinance is a one-time appropriation of \$602,400 from the General Fund Reserve to DPH in FY 2014-15 for HIV-prevention support and education. Although the position and role of a Navigator would be new to the DPH budget, the primary distinction of such Navigator positions is assisting patients to obtain Truvada. Ms. Chawla notes that the Navigators' other responsibilities of financial management and enrolling of patients into the appropriate insurance coverage is similar to DPH's existing 2587 Health Worker positions, who address client's general financial management and enrollment of patients into appropriate insurance plans.

RECOMMENDATIONS

1. Amend the proposed substitute ordinance to place the requested \$602,400 in General Fund monies on Budget and Finance Committee reserve, pending submission to the Budget and Finance Committee of specific budget details and implementation plans based on the results of the RFP processes to obtain Navigators and educational materials.
2. Approval of the proposed substitute ordinance, as amended, is a policy decision for the Board of Supervisors.

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Campos, Mar, Kim, Avalos

Subject:

Ordinance appropriating \$801,600 from the General Fund Reserve for support for HIV prevention.

The text is listed below or attached:

[]

Signature of Sponsoring Supervisor: *David Campos*

For Clerk's Use Only:

141000

