

File No. 15084

Committee Item No. 4

Board Item No. 19

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date May 20, 2015

Board of Supervisors Meeting

Date June 2, 2015

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

OTHER (Use back side if additional space is needed)

- |                                     |                                     |                           |
|-------------------------------------|-------------------------------------|---------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Publication Notice</u> |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |
| <input type="checkbox"/>            | <input type="checkbox"/>            | _____                     |

Completed by: Linda Wong Date May 15, 2015

Completed by: Linda Wong Date May 26, 2015

[Health Code - Increase in Patient Rates for Certain Mental Health Services]

**Ordinance retroactively amending the Health Code to increase patient rates charged for certain mental health services delivered from July 1, 2014, through June 30, 2016.**

**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 ~~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 Health Code is hereby amended by revising Section 128 to read as follows:

**SEC. 128. PATIENT RATES.**

The Board of Supervisors of the City and County of San Francisco does hereby determine and fix the proper reasonable amounts to be charged persons for services furnished by the Department of Public Health as follows, which rates shall be effective for services delivered as of July 1, 2014 through June 30, 2016.

\* \* \* \*

TYPE OF SERVICE	UNIT	AMOUNT	
		2014-15	2015-16
<b>POPULATION HEALTH &amp; PREVENTION</b>			
<b>Community Mental Health Services</b>			
* * * *			
Outpatient Services			

1	Case Management Brokerage	Minute	<del>4.003.50</del>	<del>4.803.65</del>
2	Mental Health Services	Minute	<del>5.304.30</del>	<del>6.354.50</del>
3				
4	Therapeutic Behavioral Services	Minute	<del>5.304.30</del>	<del>6.354.50</del>
5	Medication Support	Minute	<del>10.508.45</del>	<del>12.608.75</del>
6				
7	Crisis Intervention	Minute	<del>7.606.20</del>	<del>9.106.45</del>
8	* * * *			

9 \* \* \* \*

10  
11 Section 2. Effective Date; Retroactivity of Rates.

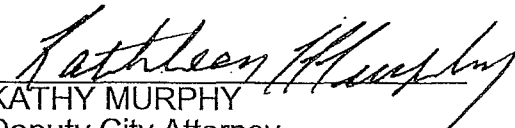
12 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
13 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
14 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
15 Mayor's veto of the ordinance.

16 (b) As Section 128 of the Health Code specifies that the patient rates set therein are  
17 effective for services delivered as of July 1, 2014 through June 30, 2016, the patient rates  
18 established in this ordinance are retroactive to July 1, 2014.

19  
20 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
21 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
22 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
23 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
24  
25

1 additions, and Board amendment deletions in accordance with the "Note" that appears under  
2 the official title of the ordinance

3  
4 APPROVED AS TO FORM:  
5 DENNIS J. HERRERA, City Attorney

6 By:   
7 KATHY MURPHY  
8 Deputy City Attorney

9 n:\vegana\as2015\1500463\00988268.doc

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**LEGISLATIVE DIGEST**

[Health Code - Increase in Patient Rates for Certain Mental Health Services]

**Ordinance retroactively amending the Health Code to increase patient rates charged for certain mental health services delivered from July 1, 2014, through June 30, 2016.**

Existing Law

San Francisco Health Code Section 128 sets forth the amounts to be charged for patient care services provided by the Department of Public Health. These rates are effective from July 1, 2014 through June 30, 2016.

Amendments to Current Law

This amendment increase the amounts to be charged for outpatient mental health services.

Background Information

The Short-Doyle Medi-Cal Program increased its reimbursement rates for outpatient mental health services effective July 1, 2014. This amendment will enable the Department of Public Health to be reimbursed at these higher rates. The amendment is retroactive to July 1, 2014.

n:\legana\as2015\1500463\00988113.doc

<p><b>Item 4</b>  <b>File 15-0184</b>  <i>(Continued from April 29, 2015)</i></p>	<p><b>Department:</b>                  Department of Public Health (DPH)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <p>The proposed ordinance would amend San Francisco Health Code Section 128 to retroactively increase patient rates charged by the County of San Francisco to the State Department of Health Care Services (DHCS) for mental health services provided by DPH to Short-Doyle Medi-Cal beneficiaries in FY 2014-15 and FY 2015-16.</p> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The State of California reimburses San Francisco for the Department of Public Health’s expenditures for outpatient mental health services provided to Short-Doyle Medi-Cal beneficiaries. At the beginning of each fiscal year, the State publishes the maximum allowable reimbursement rates paid to each county to provide these mental health services, based on service costs incurred by each county in the prior fiscal year.</li> <li>• Several of San Francisco’s FY 2014-15 patient rates are less than the State’s FY 2014-15 maximum allowable reimbursement rates, which results in San Francisco receiving reimbursement revenues from the State that are less than San Francisco could have received. To ensure that San Francisco receives the maximum allowable reimbursement rates from the State, DPH proposes an amendment to the San Francisco Health Code Section 128, adopting revised FY 2014-15 patient rates, retroactive to July 1, 2014, and revised FY 2015-16 patient rates.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance would result in additional estimated net reimbursements from the State in Fiscal Year 2014-15 of \$308,191.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

**MANDATE STATEMENT**

In accordance with Section 2.105 of the City's Charter, any amendments to the City's Health Code are subject to approval by ordinance of the Board of Supervisors.

**BACKGROUND**

The State of California reimburses San Francisco for the Department of Public Health's (DPH) expenditures for outpatient mental health services provided to Short-Doyle Medi-Cal beneficiaries<sup>1</sup>. At the beginning of each fiscal year, the State publishes interim reimbursement rates paid to each county to provide these mental health services. The State sets these interim reimbursement rates based on service costs incurred by each county in the prior fiscal year and reported to the State after the close of the fiscal year.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would amend San Francisco Health Code Section 128 to retroactively increase patient rates charged by the Department of Public Health (DPH) to the maximum authorized rates allowed to be charged by the State Department of Health Care Services (DHCS) for mental health services provided by DPH to Short-Doyle Medi-Cal beneficiaries in FY 2014-15 and FY 2015-16.

The Board of Supervisors amended Health Code Section 128 on July 31, 2014 to adopt FY 2014-15 rates charged by DPH to patients and other third party payors, including the State, for health and mental health services. According to Ms. Anne Okubo, DPH Deputy Financial Officer, DPH submitted San Francisco's FY 2014-15 patient rates to the Board of Supervisors for approval before the State DHCS published the FY 2014-15 maximum allowable reimbursement rates. Several of San Francisco's FY 2014-15 patient rates are less than the State's FY 2014-15 maximum allowable reimbursement rates, as shown in Table 1 below, which results in San Francisco receiving reimbursement revenues from the State that are less than San Francisco could have received.

---

<sup>1</sup> The State enacted the Short-Doyle Act in 1956. As a result, local governments are eligible for a 50 percent reimbursement on costs of providing services to people with mental health issues. The State reimburses the City using Medi-Cal funds, which is the State's Medicaid pass-through program. The overall effect is a Federal reimbursement to local governments for mental health service costs.

**Table 1: San Francisco’s Adopted FY 2014-15 Patient Rates Charged to the State Compared to the State’s FY 2014-15 Maximum Allowable Reimbursement Rates Paid to San Francisco**

Service	Rates per Minute of Service		
	FY 2014-15 State Maximum Allowable Reimbursement Rates Paid to San Francisco	FY 2014-15 San Francisco Patient Rates	San Francisco Patient Rates Greater Than/ (Less Than) the State Maximum Allowable Reimbursement Rate
Case Management/Brokerage*	\$3.32	\$3.50	\$.18
Mental Health Services	4.41	4.30	(.11)
Therapeutic Behavioral Services	4.41	4.30	(.11)
Medication Support	8.72	8.45	(.27)
Crisis Intervention	6.32	6.20	(.12)

\* Case Management/Brokerage are services that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services.

To ensure that San Francisco receives the maximum allowable reimbursement revenues from the State, DPH proposes an amendment to the San Francisco Health Code Section 128, adopting revised FY 2014-15 patient rates, retroactive to July 1, 2014, and revised FY 2015-16 patient rates, as shown in Table 2 below.

**Table 2: Proposed Increase in San Francisco’s FY 2014-15 and FY 2015-16 Patient Rates**

Service	Fiscal Year 2014-15		Fiscal Year 2015-16	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate
Case Management/Brokerage	\$3.50	\$4.00	\$3.65	\$4.80
Mental Health Services	4.30	5.30	4.50	6.35
Therapeutic Behavioral Services	4.30	5.30	4.50	6.35
Medication Support	8.45	10.50	8.75	12.60
Crisis Intervention	6.20	7.60	6.45	9.10

\*All services are invoiced at a rate per minute



**FISCAL IMPACT**

As shown in Table 3 below, approval of the proposed ordinance would result in additional estimated net reimbursements from the State in Fiscal Year 2014-15 of \$308,191.

**Table 3: Additional Estimated Net Revenues to DPH**

Service	Units Served	San Francisco		State		State Amount More/ (Less) than SF Charge
		Rate	Amount	Rate	Amount	
Mental Health Services	1,359,336	\$4.30	5,845,145	\$4.41	5,994,672	\$149,527
Medication Support	540,035	\$8.45	4,563,296	\$8.72	4,709,105	145,809
Crisis Intervention	107,123	\$6.20	664,163	\$6.32	677,017	12,855
<b>Subtotal Other Services</b>	<b>2,712,783</b>		<b>\$11,072,603</b>		<b>\$11,380,794</b>	<b>\$308,191</b>

**RECOMMENDATION**

Approve the proposed ordinance.



City and County of San Francisco

# San Francisco Department of Public Health

Barbara A. Garcia, MPA  
Director of Health

RECEIVED  
BOARD OF SUPERVISORS  
SANITARY JOINTS  
FEB 17 PM 4:17  
AK

## MEMORANDUM

DATE: February 17, 2015

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Anne Okubo, Deputy Financial Officer, Department of Public Health

RE: Health Code - Increase in Patient Rates for Certain Mental Health Services

Attached please find the original and two copies of the following proposed ordinance and legislative digest:

**Ordinance amending the Health Code to increase patient rates charged for certain mental health services, retroactive to July 1, 2014.**

If you have any questions on this report, please contact me at 554-2857.

cc: Greg Wagner, Chief Financial Officer, DPH

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## NOTICE OF PUBLIC HEARING

### BUDGET AND FINANCE SUB-COMMITTEE

### SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Sub-Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

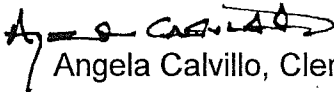
- Date:** Wednesday, April 29, 2015
- Time:** 10:00 a.m.
- Location:** Legislative Chamber, Room 250 located at City Hall,  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA
- Subject:** File No. 150184. Ordinance amending the Health Code to retroactively increase patient rates charged for certain mental health services delivered from July 1, 2014, through June 30, 2016.

If the Ordinance passes, the following charges would be retroactively increased for patient care services:

1. Fee for case management brokerage would be increased from \$4.00 to \$4.80 per minute;
2. Fee in mental health services would be increased from \$5.30 to \$6.35 per minute;
3. Fee in therapeutic behavioral services would be increased from \$5.30 to \$6.35 per minute;
4. Fee in medication support would be increased from \$10.50 to \$12.60 per minute;
5. Fee in crisis intervention would be increased from \$7.60 to \$9.10 per minute;

These rates would be for services delivered from July 1, 2014, through June 30, 2016.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, April 24, 2015.

  
Angela Calvillo, Clerk of the Board

DATED: April 17, 2015  
POSTED/PUBLISHED: April 19, 2015, and April 26, 2015

CALIFORNIA NEWSPAPER SERVICE BUREAU

DAILY JOURNAL CORPORATION

Mailing Address : 915 E FIRST ST, LOS ANGELES, CA 90012
Telephone (213) 229-5300 / Fax (213) 229-5481
Visit us @ WWW.LEGALADSTORE.COM

Linda Wong
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)
1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: FEE Ad - File 150184 - Patient Rates

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

04/19/2015 , 04/26/2015

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Table with 2 columns: Description, Amount. Rows: Publication (\$622.50), Total (\$560.25)

Daily Journal Corporation

Serving your legal advertising needs throughout California. Call your local

Table listing newspaper offices and phone numbers: BUSINESS JOURNAL, RIVERSIDE (951) 784-0111; DAILY COMMERCE, LOS ANGELES (213) 229-5300; LOS ANGELES DAILY JOURNAL, LOS ANGELES (213) 229-5300; ORANGE COUNTY REPORTER, SANTA ANA (714) 543-2027; SAN DIEGO COMMERCE, SAN DIEGO (619) 232-3486; SAN FRANCISCO DAILY JOURNAL, SAN FRANCISCO (800) 640-4829; SAN JOSE POST-RECORD, SAN JOSE (408) 287-4866; THE DAILY RECORDER, SACRAMENTO (916) 444-2355; THE INTER-CITY EXPRESS, OAKLAND (510) 272-4747

EXM 2742737

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE SUB-COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS WEDNESDAY, APRIL 29, 2015 - 10:00 AM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA

24, 2015. Angela Calvillo, Clerk of the Board

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Sub-Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 150184, Ordinance amending the Health Code to retroactively increase patient rates charged for certain mental health services delivered from July 1, 2014, through June 30, 2016. If the Ordinance passes, the following charges would be retroactively increased for patient care services:

- 1. Fee for case management brokerage would be increased from \$4.00 to \$4.80 per minute;
2. Fee in mental health services would be increased from \$5.30 to \$6.35 per minute;
3. Fee in therapeutic behavioral services would be increased from \$5.30 to \$6.35 per minute;
4. Fee in medication support would be increased from \$10.50 to \$12.60 per minute;
5. Fee in crisis intervention would be increased from \$7.60 to \$9.10 per minute;
These rates would be for services delivered from July 1, 2014, through June 30, 2016.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, April



\* A 0 0 0 0 0 3 7 3 7 2 7 7 \*

<b>Item 1</b> <b>File 15-0184</b>	<b>Department:</b> Department of Public Health (DPH)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<p>The proposed ordinance would amend San Francisco Health Code Section 128 to retroactively increase patient rates charged by the County of San Francisco to the State Department of Health Care Services (DHCS) for mental health services provided by DPH to Short-Doyle Medi-Cal beneficiaries in FY 2014-15 and FY 2015-16.</p>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>• The State of California reimburses San Francisco for the Department of Public Health’s expenditures for outpatient mental health services provided to Short-Doyle Medi-Cal beneficiaries. At the beginning of each fiscal year, the State publishes the maximum allowable reimbursement rates paid to each county to provide these mental health services, based on service costs incurred by each county in the prior fiscal year.</li> <li>• Several of San Francisco’s FY 2014-15 patient rates are less than the State’s FY 2014-15 maximum allowable reimbursement rates, which results in San Francisco receiving reimbursement revenues from the State that are less than San Francisco could have received. To ensure that San Francisco receives the maximum allowable reimbursement rates from the State, DPH proposes an amendment to the San Francisco Health Code Section 128, adopting revised FY 2014-15 patient rates, retroactive to July 1, 2014, and revised FY 2015-16 patient rates.</li> </ul>	
<b>Fiscal Impact</b>	
<ul style="list-style-type: none"> <li>• Unless the requested amendment to Health Code Section 128 is adopted, DPH will lose an estimated \$308,191 in net reimbursements from the State.</li> </ul>	
<b>Recommendation</b>	
<ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

**MANDATE STATEMENT**

In accordance with Section 2.105 of the City's Charter, any amendments to the City's Health Code are subject to approval by ordinance of the Board of Supervisors.

**BACKGROUND**

The State of California reimburses San Francisco for the Department of Public Health's (DPH) expenditures for outpatient mental health services provided to Short-Doyle Medi-Cal beneficiaries<sup>1</sup>. At the beginning of each fiscal year, the State publishes interim reimbursement rates paid to each county to provide these mental health services. The State sets these interim reimbursement rates based on service costs incurred by each county in the prior fiscal year and reported to the State after the close of the fiscal year.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance would amend San Francisco Health Code Section 128 to retroactively increase patient rates charged by the Department of Public Health (DPH) to the maximum authorized rates allowed to be charged by the State Department of Health Care Services (DHCS) for mental health services provided by DPH to Short-Doyle Medi-Cal beneficiaries in FY 2014-15 and FY 2015-16.

The Board of Supervisors amended Health Code Section 128 on July 31, 2014 to adopt FY 2014-15 rates charged by DPH to patients and other third party payors, including the State, for health and mental health services. According to Ms. Anne Okubo, DPH Deputy Financial Officer, DPH submitted San Francisco's FY 2014-15 patient rates to the Board of Supervisors for approval before the State DHCS published the FY 2014-15 maximum allowable reimbursement rates. Several of San Francisco's FY 2014-15 patient rates are less than the State's FY 2014-15 maximum allowable reimbursement rates, as shown in Table 1 below, which results in San Francisco receiving reimbursement revenues from the State that are less than San Francisco could have received.

---

<sup>1</sup> The State enacted the Short-Doyle Act in 1956. As a result, local governments are eligible for a 50 percent reimbursement on costs of providing services to people with mental health issues. The State reimburses the City using Medi-Cal funds, which is the State's Medicaid pass-through program. The overall effect is a Federal reimbursement to local governments for mental health service costs.

**Table 1: San Francisco’s Adopted FY 2014-15 Patient Rates Charged to the State Compared to the State’s FY 2014-15 Maximum Allowable Reimbursement Rates Paid to San Francisco**

Service	Rates per Minute of Service		
	FY 2014-15 State Maximum Allowable Reimbursement Rates Paid to San Francisco	FY 2014-15 San Francisco Patient Rates	San Francisco Patient Rates Greater Than/ (Less Than) the State Maximum Allowable Reimbursement Rate
Case Management/Brokerage*	\$3.32	\$3.50	\$.18
Mental Health Services	4.41	4.30	(.11)
Therapeutic Behavioral Services	4.41	4.30	(.11)
Medication Support	8.72	8.45	(.27)
Crisis Intervention	6.32	6.20	(.12)

\* Case Management/Brokerage are services that assist a beneficiary to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services.

To ensure that San Francisco receives the maximum allowable reimbursement revenues from the State, DPH proposes an amendment to the San Francisco Health Code Section 128, adopting revised FY 2014-15 patient rates, retroactive to July 1, 2014, and revised FY 2015-16 patient rates, as shown in Table 2 below.

**Table 2: Proposed Increase in San Francisco’s FY 2014-15 and FY 2015-16 Patient Rates**

Service	Fiscal Year 2014-15		Fiscal Year 2015-16	
	Current Rate	Proposed Rate	Current Rate	Proposed Rate
Case Management/Brokerage	\$3.50	\$4.00	\$3.65	\$4.80
Mental Health Services	4.30	5.30	4.50	6.35
Therapeutic Behavioral Services	4.30	5.30	4.50	6.35
Medication Support	8.45	10.50	8.75	12.60
Crisis Intervention	6.20	7.60	6.45	9.10

\*All services are invoiced at a rate per minute



**FISCAL IMPACT**

According to Ms. Okubo, unless the requested amendment to Health Code Section 128 is adopted, DPH will lose an estimated \$308,191 in net reimbursements from the State, as shown in Table 3 below.

**Table 3: Estimated Loss of Net Revenues at San Francisco's Current Patient Rates**

Service	Units Served	San Francisco		State		State Amount More/ (Less) than SF Charge
		Rate	Amount	Rate	Amount	
Mental Health Services	1,359,336	\$4.30	5,845,145	\$4.41	5,994,672	\$149,527
Medication Support	540,035	\$8.45	4,563,296	\$8.72	4,709,105	145,809
Crisis Intervention	107,123	\$6.20	664,163	\$6.32	677,017	12,855
<b>Subtotal Other Services</b>	<b>2,712,783</b>		<b>\$11,072,603</b>		<b>\$11,380,794</b>	<b>\$308,191</b>

**RECOMMENDATION**

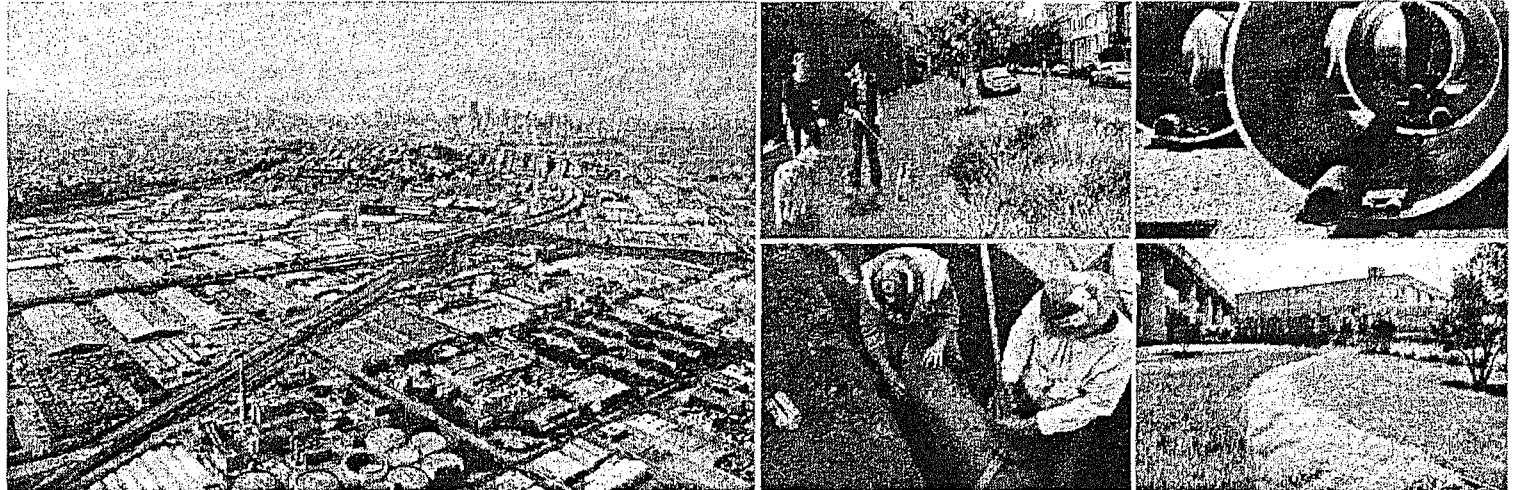
Approve the proposed resolution.



# 4 15018,



Services of the San Francisco Public Utilities Commission



**Authorize State Revolving Fund (SRF) Loans  
Low-Cost Financing for SFPUC Wastewater Projects**  
**Board of Supervisors, Budget and Finance Committee**

**May 20, 2015**  
**Charles Perl, SFPUC Interim CFO & AGM**  
**Business and Financial Services**

1011



# SRF Loan Program Background

Services of the San Francisco Public Utilities Commission

Clean Water SRF (CWSRF) provides low-cost public financing for wastewater capital projects

- Loan interest rate is  $\frac{1}{2}$  of prevailing State GO bond rate; currently 1.7% vs revenue bond rate of 4% - 5%
- Administered by US EPA and State Water Resources Control Board, Division of Financial Assistance (DFA)
- SRF loans have 30-year term; at parity to revenue bonds



## SFPUC Has Been Active SRF Loan Participant

---

Services of the San Francisco Public Utilities Commission

- Wastewater Enterprise received 13 SRF loans totaling \$280 million, from 1991-2001
- Loan proceeds mainly used for projects to reduce combined sewer overflows
- SRF loans had 20-year terms and interest rates ranged from 2.8% -3.5% (refunded by 2013A Bonds for savings)



# SFPUC Actively Engaged with State on SRF Loan Program

---

Services of the San Francisco Public Utilities Commission

- SFPUC working with the State to determine best program fit with project financing
- Applying for “Frequent Financer” approval
  - \$1.4B Initial estimate for 2015 – 2017
  - Anticipating approval from State of rolling 5-year annual “credit limit”



# Legislation Authorizes

Services of the San Francisco Public Utilities Commission

- Expands existing project financing authorization for Wastewater to include SRF Loans
- Delegates to SFPUC Commission execution of individual Loan Agreements



San Francisco  
**Water**  
**Power**  
**Sewer**

Services of the San Francisco Public Utilities Commission

# Questions





# Potential WWE Projects for SRF Loans

Services of the San Francisco Public Utilities Commission

Project Name	Env Phase End	Proposed Date for SRF Loan Agreement	Forecast Construction Start Date	Potential SRF Funding Amount (Initial estimate based on approved budget)
Lake Merced Green Infrastructure	Aug-14 A	Jul-15	12-Aug-15	\$ 6,559,000
SEP Building 521 Replacement	Mar-15	Jul-15	30-Sep-15	\$ 32,088,516
NPF Outfall System Rehabilitation	Jun-15	Oct-15	22-Feb-16	\$ 29,973,213
SEP Primary/Secondary Clarifier Upgrades	Aug-15	Oct-15	28-Mar-16	\$ 32,308,985
<b>TOTAL SRF LOAN PROPOSED FOR CALENDAR YEAR 2015</b>				<b>\$ 100,929,714</b>
North Shore Wet Weather Pump Station Improvement and Disinfection	Feb-16	Jul-16	3-Jul-17	\$ 66,610,914
OSP Digester Gas Utilization Upgrade	Apr-16	Jul-16	1-Jun-17	\$ 48,233,856
<b>TOTAL SRF LOAN PROPOSED FOR CALENDAR YEAR 2016</b>				<b>\$ 114,844,770</b>
SEP New Headworks (Grit) Replacement	May-17	Sep-17	5-Sep-17	\$ 184,885,288
SEP Biosolids Digester Facilities Project (BDFP)	Jun-17	Sep-17	2-Jan-18	\$ 1,186,308,160
<b>TOTAL SRF LOAN PROPOSED FOR CALENDAR YEAR 2017</b>				<b>\$ 1,371,193,448</b>

1017

