



San Francisco
Department of Public Health

Board of Supervisors Beilenson Hearing

June 16, 2026

San Francisco Department of
Public Health

Beilenson Hearing Requirements



The State of **California** requires **public hearings** when a county is closing, eliminating, or reducing **health and medical services**.

- There is **no action** associated with this hearing today

Today's hearing covers reductions to **contracted health and medical services provided by community partners** in the DPH proposed FY26-28 budget.

- The Health Commission held a Beilenson hearing for impacted DPH clinical services (e.g. clinic consolidation) at the May 18, 2026 meeting – *this is not the subject of today's Beilenson hearing*.

California Health & Safety Code Section 1442.5

Prior to (1) closing, (2) eliminating or reducing the level of medical services provided by, or (3) the leasing, selling, or transfer of management of, a county facility, the board shall provide public notice, including notice posted at the entrance to all county health care facilities, of public hearings to be held by the board prior to its decision to proceed.

- DPH posted notices per the 14-day noticing requirement on June 2, 2026, at DPH facilities

Preserving the Safety Net in the Face of Unprecedented Federal (HR 1) and State Medicaid Cuts



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- The City's \$600 M+ structural deficit included ~\$227 M in Medi-Cal cuts for DPH driven by tremendously damaging federal and state cuts to Medicaid
 - FY26-27 Medicaid reimbursement cut: \$62 M for DPH
 - FY27-28 Medicaid reimbursement cut: \$165 M for DPH
- The Medicaid cuts represents 25% of DPH's entire General Fund allocation for FY25-26. **If DPH were asked to solve this on our own, we would need to make massive cuts to clinical services, public health, and the city's only Level 1 Trauma center** — impacting countless clinical and non-clinical staff and programs and cratering the city's health safety net.
- Instead, given the extraordinary impact of HR 1 on DPH's budget and potential impact on the city's safety net, **the Mayor has directed all departments (not just DPH) to reduce General Fund spending**, so that we can **continue to maintain delivery of core services, including health services**.
- In other words, DPH has had to make difficult budget decisions, and the entire City will be helping to support the health care safety net in the face of unprecedented Medicaid funding cuts.

City's General Fund Backfills Major Federal Funding Loss



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DPH's General Fund contribution grows faster than the overall budget primarily as a result of the state and federal revenue cuts, including HR 1, along with personnel cost growth driven by MOUs

	FY 25-26	Proposed FY26-27 Budget	Proposed FY27-28 Budget	Change from FY25-26
General Fund	\$779 M	\$869 M	\$1,030 M	+\$251 M (+32%)
All Other Sources (Medi-Cal, Medicare, Prop C, Opioid, etc.)	\$2,587 M	\$2,750 M	\$2,679 M	+\$92 M (+4%)
Total DPH Budget	\$3,366 M	\$3,619 M	\$3,709 M	+\$343 M (+10%)

Contracts Budgets: Reductions Slow Growth



CBO / Contracted Provider spending grows by \$80 M, after accounting for savings – a total 1.9% reduction as a result of \$19.9M

CBO / Contracted Provider Budget*

	FY 25-26	FY 27-28	Change	
Budget Before Reductions	\$998 M	\$1,098 M	+\$100 M	+10%
<i>Reductions</i>	-	(\$19.9) M		
Proposed Budget	\$998 M	\$1,078 M	+\$80 M	+8%

Even after \$19.9M in reductions, 98.1% of CBO spending untouched

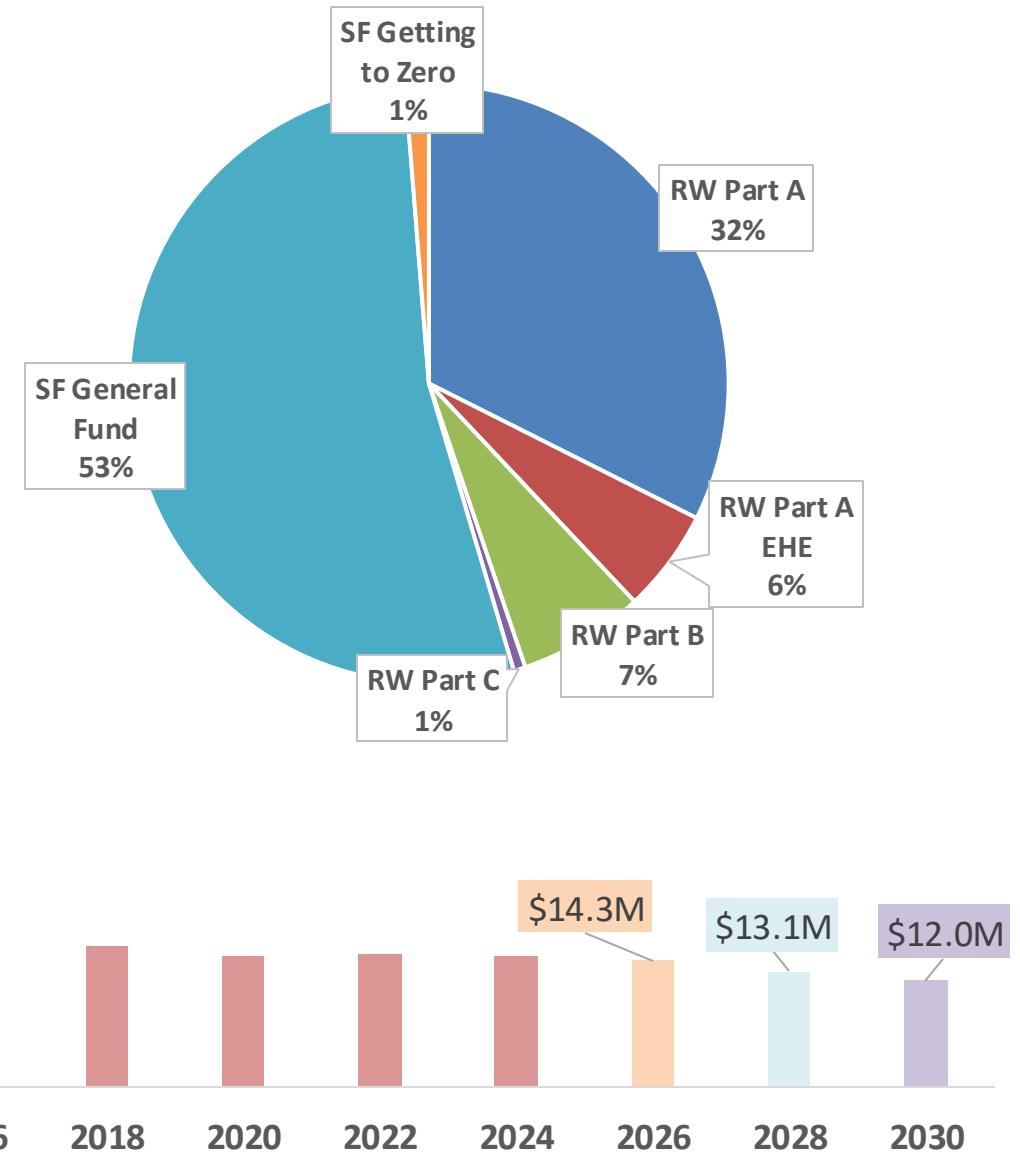
- \$5.9 M of reductions in FY 27-28 are expected to impact direct health or medical services (0.5% reduction)

HIV Context - Federal Ryan White Part A Funding: 2000 through 2030



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Federal Ryan White Funding has decreased by \$23M over the past 25 years – DPH will maintain \$30M general fund backfill for these federal cuts



HIV Services: Protecting Global Leadership & Commitment



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DPH's HIV Health & Prevention services budget increases to over \$84.4M and maintains the City's longstanding commitment to continue to backfill Federal Ryan White reductions.

	FY 25-26	FY 26-27	FY 27-28
HIV Health Services – Ryan White & Fed Grants	\$20.9 M	\$21.2 M	\$20.4 M
HIV Health Services – GF Backfill	\$28.7 M	\$29.0 M	\$30.0 M
HIV Health Services*	\$49.6 M	\$50.2 M	\$50.4 M
HIV Prevention*	\$34.5 M	\$33.9 M	\$34.0 M
Total HIV Spending	\$84.1 M	\$84.1 M	\$84.4 M

HIV Health Services - \$50M Preserved, Addressing Previous & New Federal Cuts

- Federal HIV funding has eroded for 20+ years, San Francisco has filled the gap – declined by ~\$23M since 2020
- **\$30M dedicated** annually to replace declining Ryan White federal funds - General Fund now carries the majority of our HIV investment
- **Zero reductions** to HIV Health Services: clinical care sustained (Ward 86, City Clinic, and community clinics) & wraparound supports maintained (housing, food, employment, and counseling)

Prevention & Monitoring - \$34M to Stop New Infections

- Population Health maintains \$34M for testing, monitoring, and prevention
- More than \$21M goes directly to contracted community programs
- FY 27-28 includes a \$750K reduction to HAP funding (~6%) - HAPs retain ~\$10M total to continue the network
- Remaining reductions reflect grant cycles and vacant positions

* Both programs include Getting to Zero investments

Contract reductions 1 of 2:

Administrative and Funding Source Changes



Lavender highlighted programs contain portions of the \$5.9M contracted health and medical services provided by community partners for today's Beilenson hearing

		Savings/(Increase) (\$s in 1000s)	
		<u>FY2026-27</u>	<u>FY2027-28</u>
Total		\$16,146	\$19,946
1. Administrative Contract Reductions / No Service Impacts		\$5,831	\$7,148
- Reduction of Avatar Licensing following move to EPIC* (in addition to \$5M in IT reductions) - Consulting contracts for Laguna Honda Certification / health system (HSAG, HMA) - UCSF Affiliation Agreement - Additional efficiencies and service delivery - UCSF Efficiencies and Reductions in Training and Administrative Services - San Francisco Public Health Foundation - Family Mosaic administrative supports - CYF Gender Center - adjust budget to reflect program already closed by UCSF - Environmental Health fee setting consulting services - Cost of Doing Business (CODB) on reductions		\$150	\$300
		\$1,580	\$2,380
		\$2,000	\$2,000
		\$795	\$795
		\$257	\$343
		\$825	\$825
		\$50	\$50
		\$174	\$455
2. Changes to Funding Sources		\$8,349	\$9,000
- Contracted services under MHSA no longer prioritized under BHSA, as detailed in Integrated Plan - Services planned under MHSA not yet contracted / One-time spend down of MHSA balance in FY 26-27 - Move new Residential Treatment Program to Prop. C		\$1,634	\$4,840
		\$5,715	\$3,160
		\$1,000	\$1,000

Includes State mandated funding changes under BHSA

Contract Reductions 2 of 2:

CBO Reductions



3. Harm Reduction Supply Policy	\$1,080	\$1,080
• Discontinue AHP safer use supply clearinghouse	\$586	\$586
• Reduce SFAF syringe cleanup contract	\$414	\$414
• Transition outdoor supply distribution at 3 mobile sites in public spaces (SFAF Hemlock, SFAF Duboce, and HRTC Victoria Manalo Draves Park); reallocate resources in partnership with providers to treatment options and clinical care in indoor spaces, while maintaining core overdose prevention services	\$80	\$80
4. Reductions in Low-Volume and Under-Utilized Services	\$904	\$1,398
• BAART - Transition low-utilization (7 clients) perinatal OTP at the same site	\$264	\$264
• San Francisco Public Health Foundation - align with the planned wind down / transition of the jail health program following expiration of state funding	\$145	\$145
• Outpatient SUD Coordinators - underutilized service at 8 different outpatient treatment providers	\$495	\$989
5. Additional adjustments to contract budgets	\$982	\$2,319
HAP Changes are effective FY27-28 and still being developed. Client impacts will be heard at a future date.	\$0	\$750
• 6.6% across-the-board reduction at 7 Health Access Points and additional savings from Medi-Cal billing		
• Hospitality House drop-in program. Reduction represents 6.6% of SFDPH funding for Hospitality House	\$125	\$250
• Felton - restructure of program supporting contingency management program at Maria X. Martinez and Street Health - no change in services. Reduction represents 3.4% of \$26.9M annual funding for Felton	\$463	\$925
• RAMS – partner with RAMS to identify additional savings on their \$34.7M in contracts (1.1%)	\$394	\$394
Rebasing contracts - limit carryforward requests of prior year unspent funds	\$1,000	\$1,000
Board & Care - rate increases to preserve beds	(\$2,000)	(\$2,000)

BHSA: New, Mandated Prop. 1 Spending Requirements

- CA Proposition 1 introduced new State spending requirements for Behavioral Health Services Act (BHSA) funds across Housing, Full-Service Partnership, and Behavioral Health Services and Support.
- DPH must shift and increase investments in Housing and Full-Service Partnership from the General Fund to BHSA to meet new requirements.
- **The programs listed as reductions need to be cut as a result of the new state-required BHSA spending formulas allocations, either in FY26-27 or FY27-28.**
 - DPH communicated these impacts to affected CBOs week of March 23rd, prior to submitting and posting IP for public comment.

Today's Hearing Overview



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Today's hearing covers reductions to **contracted health and medical services provided by community partners**. It covers \$5.9 M for 25 programs across 17 organizations.

An earlier hearing for proposed elimination or reduction of services at civil service clinical sites was held at the Health Commission in May to coincide with personnel changes and reassignments beginning in this fiscal year.

Recap 5/18 Hearing: Consolidating Low Volume Clinic Sites



There are no layoffs from clinic closures. Over the next four months, DPH will consolidate four sites by assigning specialized clinical staff to other locations. **Every patient will be offered transitions** to another outpatient clinic.

- **Savings of ~\$2.5 million a year** will be achieved through the operational efficiencies of consolidation and elimination of vacancies.

Managed Alcohol Program (MAP)

- The 10 MAP beds will be converted back to Medical Respite beds
- Staffing: 2.5 FTE
- Volume: Est. clients per year: 35-40

Cole Street & Michael Baxter Larkin Street Youth Clinics

- Staffing: 5.8 FTE
- Volume: Est. unique clients per year: ~250 @ Cole; ~350 @ Larkin
- Total patients seen per day: ~8 @ Cole; ~9 @ Larkin
- Propose slow ramp-down of staffing over 6-month period (May-October 2026) with close monitoring of data to assess utilization, impact, and scope/quality of services provided.

Southeast Mission Geriatrics (SEMG) Services

- Staffing: 9.23 FTE
- Volume: Est. unique clients per year: ~200
- Estimated patients per day: ~14 (includes phone, telehealth, clinic visit and home visits)
- Unduplicated clients served in May 2026: 139
- Where clients can transition to: Mission Mental Health, OMI Family Center, Sunset Mental Health (Chinese language providers)

Reductions for Under-utilized Resources



- **BAART Perinatal Program (FACET):** Combine the Perinatal Drug Medi-Cal Opioid Treatment Program (OTP), which has served 6-7 patients per year, with agency's regular OTP program, at the same location. No service impact to clients.
- **Substance Use Disorder Navigators:** End a pilot initiative designed to increase both treatment engagement and retention among client. Alternative navigation interventions, however, have proven more effective at engaging individuals and connecting them to treatment across all levels of care.

Program	Organization	FY 26-27	FY27-28	Share of Org. Contracts with DPH
BAART Perinatal (FACET)	Addiction Research and Treatment	\$263,631	\$263,631	1%
Substance Use Disorder Navigator	UCSF-Alliance Health Project	\$57,879	\$115,757	1%
	San Francisco AIDS Foundation	\$50,902	\$101,803	1%
	Bayview Hunters Point Foundation for Community Improvement	\$44,421	\$88,842	2%
	Curry Senior Center	\$60,329	\$120,657	4%
	Homeless Children's Network	\$66,660	\$133,320	1%
	HealthRIGHT 360	\$135,808	\$271,615	1%
	Latino Commission	\$42,152	\$84,304	2%
	Mission Council	\$36,437	\$72,874	8%

Changes in Supply Policy and Other Services

Consistent with the Mayor’s Breaking the Cycle strategic priorities, the Mayor’s Office has directed DPH to focus its investments in behavioral health treatment access and stickiness. DPH proposes several changes to its contracts in line with these policy directives.

Program	Organization	FY 26-27	FY27-28	Share of Org. Contracts with DPH
Treatment Connection through Safer Use Supply Distribution (Hemlock, Duboce, and Eddy Site Closure)	San Francisco AIDS Foundation	\$60,000	\$60,000	<1%
Mobile Behavioral Health Team (SOMA Mobile Site)	Harm Reduction Therapy Center	\$20,000	\$20,000	2%

Seeking efficiencies with several large contractors:

Program	Organization	FY 26-27	FY27-28	Share of Org. Contracts with DPH
Sixth Street Self-Help Center	Central City Hospitality House	\$125,000	\$250,000	6%
Peer to Peer Services	Richmond Area Multi-Services, Inc. (RAMS)	\$224,000	\$224,000	1%
High School Wellness Center Initiative	Richmond Area Multi-Services, Inc. (RAMS)	\$260,147	\$260,147	1%

Reductions Due to State Mandated Behavioral Health Services Act Changes

Savings in this group are **required as a result of California voters passing Proposition 1 and shifting to the Behavioral Health Services Act (BHSA) requirements.** As presented in the BHS Integrated Plan, these changes required by the State have increased required allocations in Housing and Full-Service Partnership, resulting in decreased funding available for workforce development, prevention and early intervention programs, and other behavioral health treatment programs (other than Full-Service Partnership programs).

Program	Organization	FY 26-27	FY27-28	Share of Org. Contracts with DPH
Trauma & Recovery Services	Bayview Hunters Point Foundation for Community Improvement		\$211,639	5%
Prevention and Early Intervention	Edgewood Center for Children and Families		\$238,850	2%
Socially Isolated Older Adults	Episcopal Community Services	\$433,330	\$433,330	19%
Socially Isolated Older Adults	Felton Institute	\$519,865	\$519,865	2%
Prevention Early Intervention (PEI) Ma'at	Homeless Children's Network	\$650,000	\$1,300,000	11%
School Based Centers (Balboa)	Rafiki Coalition for Health and Wellness		\$357,438	5%
School-based Youth-Centered Wellness	Instituto Familiar de la Raza (IFR)		\$223,626	3%
Panche Be	Latino Commission		\$511,420	11%



Thank you