

**HIV Services (HHS) Director's Report
HIV Community Planning Council Meeting
June 23, 2025**



City and County of San Francisco (CCSF) Budget Updates

San Francisco FY 25/26 and 26/27 Budget

- **The City General Fund** comes from a combination of local tax revenues including property, transfer, sales, hotel, and business taxes, as well as state and federal resources, and fees for service.
- Each year, the City makes decisions on how to **allocate the City's budget based resource availability and the mayoral priorities based on the needs of the City and its residents.**
- **City Budget Process**
 - Begins in September with preliminary revenue projections for the upcoming budget years.
 - In December, the Mayor's Office and the Controller's Office issue budget instructions to departments, which contain detailed guidance on the preparation of departments' budget requests.
 - Departments then prepare their budget requests and submit them to the Controller by mid-February.
 - The Controller consolidates, verifies, and refines the departments' Proposed budgets, and turns the proposals over to the Mayor's Office of Public Policy and Finance.
 - From March through May, the Mayor's Office analyzes each budget proposal, examining Total Department Uses by Major Services
- Just over half (**56 percent**) of the budget consists of **self-supporting activities**, primarily at the City's Enterprise departments, which focus on City-related business operations, and include the Port, Municipal Transportation Agency, Airport, and Public Utilities Commission.
- **General Fund monies comprise the remaining 44 percent, which support public services such as public health, housing, support for those experiencing homelessness, safety and fire services, parks management, and others.**
- **City and County of San Francisco is currently facing \$831 million budget deficit**
- **City and County of San Francisco Mayor Lurie presented the City and County of San Francisco's Budget for 25/26 and 26/27 to close the two-year deficit and makes to address future projected shortfalls**
- **The Mayoral Budget:**
 - **\$15.9 billion budget for FY 2025-2026**
 - **\$16.3 billion in FY 2026-27**

- **Sets aside \$400 million set aside for reserves** to prepare for future federal and state funding reductions and other challenges that may lie ahead.
- **Includes \$37.5 million in private funding to address the behavioral health and homelessness crisis.**
- **Includes \$3 million public-private partnership** to improve cleanliness and maintain commercial corridors across seven neighborhoods.

Federal Budget Updates

The Republican House version of the Presidential Administration's budget ("skinny budget") passed through the Congress and the Senate is now working on their version of the budget

- The "Skinny budget" if enacted will reduce federal discretionary spending for HHS by 1/3, eliminating \$41 billion in funding from the FY24 baseline for a total discretionary budget of \$80 billion.
- The Skinny Budget would formally eliminate:
 - CDC's Division of HIV Prevention.
 - All Ending the HIV Epidemic Funding
 - Minority AIDS Initiative Funding in both SAMHSA and the Secretary's Minority AIDS Initiative Fund
 - Funding for Part F of the Ryan White HIV/AIDS Program, including funding for the AETCs, Ryan White Dental Program, and RWPF SPNS Program
 - The CDC Global Health Center
 - A large number of SAMHSA Substance Abuse Treatment Programs of National and Regional Significance, including:
 - Overdose Prevention (naloxone)
 - Screening, Brief Intervention and Referral to Treatment
 - Treatment, Recovery and Workforce Support
 - The Budget outlines funding for the new HIV/AIDS Branch of the Administration for a Healthy Americas as follows:
 - Total funding of \$2.340 billion dollars, including:
 - RWHAP Parts A-D at \$2.332 billion (level with FY24/25), but without inclusion of Part F or EHE funding)
 - \$7.582 million for the Office of Infectious Disease and HIV/AIDS Policy, which is now listed as being a part of this AHA HIV/AIDS Branch
 - No funding for HIV prevention is included or mentioned.
 - The Budget lumps together spending for Viral Hepatitis, STI, and TB prevention as part of one large block grant.
 - The combined total funding in FY 24/25 for CDC's Divisions of Viral Hepatitis, STI Prevention, and TB Elimination and the Opioid Related Infectious Diseases line was \$377.3 million
 - A new block grant may be where some of the HIV prevention funding may have been moved.

- **The Congressional Budget Office (CBO) estimates that the bill would decrease the federal deficit by more than the \$880 billion over 10 years** that was called for by the budget resolution passed by Congress in April 2025.
- **CBO preliminary estimates show that the Medicaid provisions would reduce the deficit by \$625 billion over ten years and increase the number of people without health insurance by at least 7.6 million by 2034.**
- **Summary of the Medicaid provisions included in the legislation approved by the Energy and Commerce Committee compared to current law:**

Current Status Expansion Coverage and Financing: The Affordable Care Act expands Medicaid eligibility to non-elderly adults with incomes up to 138% FPL based on modified adjusted gross income and provides 90% federal financing for the expansion population. The Supreme Court effectively made expansion an option for states. The American Rescue Plan Act (ARPA) added a temporary financial incentive for states that newly adopt expansion. **Currently, 41 states, including DC, have implemented the Medicaid expansion.**

Proposed Changes in bill effective January 1, 2026:

- **Eliminates the temporary incentive for states that newly adopt expansion**

Current Status Premiums and Cost Sharing: States have the option to charge premiums and cost-sharing for Medicaid enrollees within limits, and certain populations and services (emergency, family planning, pregnancy and preventive) are exempt from cost-sharing. Cost-sharing is generally limited to nominal amounts but may be higher for those with income above 100% of the federal poverty level (FPL). Out-of-pocket costs cannot exceed 5% of family income. States may allow providers to deny services for enrollees for nonpayment of copayments.

Proposed Changes to Cost Sharing effective October 1, 2028:

- **Eliminates enrollment fees or premiums for expansion adults.**
- **Requires states to impose cost sharing of up to \$35 per service on expansion adults with incomes 100-138% FPL;** maintains existing exemptions of certain services from cost sharing and limits cost sharing for prescription drugs to nominal amounts.
- **Maintains the 5% of family income cap on out-of-pocket costs.**

Current Status State Funded Coverage of Undocumented

Immigrants: Under current law, undocumented immigrants are not eligible for Medicaid coverage. As of April 2025, 14 states and DC use state-only funds to provide health coverage to children regardless of immigration status, including 7 states that do so for at least some adults.

Proposed Changes effective October 1, 2027:

- **Reduces the expansion match rate from 90% to 80% for states that use their own funds to provide health coverage or**

financial assistance to purchase health coverage for individuals who are not lawfully residing in the United States effective

SF Department of Public Health Budget Updates

New Investments to Align with Mayor’s Priorities of Addressing Substance Use and Unhoused People.

Breaking the Cycle: New Budget Investments (1 of 2)

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
1. Street Teams: Building on Success and Expanding Impact				
Consolidate & Strengthen Street Health Teams		\$3,300,000		\$3,500,000
2. Standing Up Beds and New Models of Care				
Increase Drop-off Capacity with an additional site	16	\$3,100,000	16	\$3,100,000
Enhancing and Expanding Shelter Health (including additional RESTORE sites)	430	\$7,529,482	430	\$12,263,691
Expand capacity at ZSFG Psychiatric Emergency Services (PES)			5	\$5,833,415
Stabilization and Withdrawal Management Beds	86	\$7,538,421	86	\$7,764,573
Increase Treatment Beds	48	\$5,333,603	52	\$6,804,672
Expand Step-Down and Ongoing Recovery Beds	96	\$9,611,843	137	\$13,641,448
Subtotal New Beds Needs	676	\$33,113,349	726	\$49,407,799

Breaking the Cycle: New Budget Investments (2 of 2)

Enhancement Investments	FY2025-26		FY2026-27	
	Net New Beds	Budget	Net New Beds	Budget
3. Improving "Stickiness" in the System and Expanding Outpatient Treatment				
Increase Capacity of Intensive Outpatient Services, 5150 Follow-up, and Navigation Services		\$12,747,000		\$12,990,000
Intensive Outpatient Services for ZSFG Adolescent Psychiatric unit		\$1,873,348		\$1,873,348
Increase Jail Health Services due to Increased Census		\$3,258,899		\$5,403,740
Expand Access to Long-Acting Injectables for Opioid Use Disorder for Street & Jail		\$1,980,000		\$1,980,000
Subtotal "Stickiness" and Outpatient Treatment		\$19,859,247		\$22,247,088
Total New Investments		\$56,272,596		\$75,154,887
Medi-Cal Revenue Tied to New Investments		\$(11,572,031)		\$(15,416,875)
Our City, Our Home Fund Balance		\$(18,696,663)		\$(22,761,813)
New General Fund Support for Investments	676	\$26,003,902	726	\$36,976,200



San Francisco
Department of Public Health

Additional Savings & Revenue Items for FY 2025-27 Budget

To support New Budget Investments and address the City's structural deficit, the Mayor's proposed budget includes additional General Fund savings and revenue increases beyond the Department's February proposal:

Sources for General Fund Savings	FY 2025-26 Budget	FY 2026-27 Budget
Total Revenue Growth	\$(27,275,474)	\$(30,871,230)
Fiscal Stewardship	\$(10,564,811)	\$(13,213,575)
Deletion of Vacant Positions	\$(10,330,000)	\$(10,800,000)
Improving Operational Efficiency	\$(6,548,194)	\$(13,088,596)
Realignment of Programming to Focus on Mayoral Initiatives	\$(8,796,097)	\$(24,502,195)
Total Expenditure Savings	\$(36,239,102)	\$(61,604,366)
Total Sources	\$(63,514,576)	\$(92,475,596)



San Francisco
Department of Public Health

Tough Decisions Ahead

- The Mayor's Office has asked us to **reduce next year's budget by \$17 million**, to reduce services Community-Based Organizations starting on July 1, 2026.
- This represents **approximately than 10% of our contracts supported by General Fund only** and will require difficult choices.
- Every program and its efficiency will be assessed, ensuring that dollars are used effectively to **support programs that drive meaningful outcomes**.
- We must make these cuts **thoughtfully and strategically**, and we need to preserve those services that are effective. This is about ensuring every program we fund delivers results.
- We will continue to collaborate with community partners to **maximize Medi-Cal revenue and identify additional revenue sources** to support our critical programs. Working together to find new ways to bring in resources will be key to ensuring the sustainability of our services.



San Francisco
Department of Public Health

HHS Funding Updates

HHS received a second Partial Notice of Award (NOA) for RWPA on 5/14/25.

Immediately below is a chart detailing current known and projected funding for FY25-26 for SF EMA RWPA, SF DPH RWPB, RWPC, SF DPH RW EHE, SF DPH HHS General Fund (GF) and SF Getting to Zero (GTZ) GF

RYAN WHITE PART A	CATEGORY	NOA AMOUNT	ANNUALIZED	% REDUCTION	\$ REDUCTION
RWPA Previous Year Funding Level					
2024-2025	Formulary	\$9,020,844			
2024-2025	Supplemental	\$5,192,075			
2024-2025	MAI	\$745,088			
2024-2025	TOTAL	\$14,958,007			
RWPA First Partial Notice of Award					
2025-2026	Formulary	\$2,521,326			
2025-2026	Supplemental*				
2025-2026	MAI	\$135,861			
2025-2026	TOTAL	\$2,657,187			
RWPA Second Partial Notice of Award					
2025-2026	Formulary	\$3,708,469	\$8,829,688	-2.12%	-\$191,156
2025-2026	Supplemental*				
2025-2026	MAI	\$198,566	\$735,430	-1.30%	-\$9,658

2025-2026	TOTAL	\$3,907,035			
ESTIMATED 2025-2026			\$14,757,193	-1.34%	-\$200,814
SOA RYAN WHITE PART B	CATEGORY	NOA AMOUNT	ANNUALIZED	% REDUCTION	\$ REDUCTION
2024-2025	N/A	\$3,149,750			
ESTIMATED 2025-2026			\$3,149,750	\$0	\$0
RYAN WHITE PART C	CATEGORY	NOA AMOUNT	ANNUALIZED	% REDUCTION	\$ REDUCTION
2024-2025	N/A	\$293,137			
2025-2026	Partial	\$69,519	\$278,076		
ESTIMATED 2025-2026			\$278,076	-5.14%	-\$15,061
RYAN WHITE EHE	CATEGORY	NOA AMOUNT	ANNUALIZED	% REDUCTION	\$ REDUCTION
2024-2025	N/A	\$2,559,215			
2025-2026	First Partial NOA	\$1,076,917	\$2,564,088		
ESTIMATED 2025-2026			\$2,564,088	0.19%	\$4,873
SF GF & GTZ	CATEGORY	NOA AMOUNT	ANNUALIZED	% REDUCTION	\$ REDUCTION
2024-2025	N/A	\$24,550,471			
ESTIMATED 2025-2026			\$24,550,471	0.00%	\$0

The following are clarifiers to projected funding in the chart above:

- Cuts could be made to EHE for the current fiscal year (3/1/25-2/28/26) and SF could have a short fall depending on the final federal budget currently functioning on a continuing resolution (CR).
- HHS has not yet received the total amount of the supplemental RWPA for the current fiscal year (3/1/25-2/28/26) so the projected \$200K short fall could increase or decrease
- As Ryan White Part B comes through the CA State Office of AIDS (SOA) and they have not yet received their complete NOF, if reduced SOA may reduce the amount of the award to SF for the current fiscal year and in the future

HHS CQI and Service Improvement Work

The next HHS quarterly CQI meeting will be held on 7/10/25

- Planning Council Members are invited to attend an HHS quarterly HIV CQI meeting
 - To do so contact Beth.Neary@sfdph.org

The AHP in-person training on Motivational Interviewing was held on 6/29/35