



November 2008

Dear Community Member,

Our country is in uncharted economic waters, in a time of enormous uncertainty and overwhelming concern. It should come as no surprise that the fiscal woes of the federal government and the state of California – in light of the extraordinary downturn in financial markets – have a trickle-down effect that greatly impacts non-profit organizations such as the Jewish Home of San Francisco.

On the state level, the Medi-Cal program is the Jewish Home's primary source of funding. Approximately 85% of the clients served by the Jewish Home are Medi-Cal beneficiaries. The impact of the new state budget this fiscal year alone adds an additional \$3 million to our operating deficit. Many healthcare experts anticipate that even deeper cuts are on the horizon for next year.

The unpredictability of the Home's annual funding received from the state, along with the widening gap between rising costs and declining reimbursements, are not sustainable. The Home's executive management team works in close partnership with the board of trustees to respond to the tremendous challenges posed by this economic crisis. We are continually analyzing every aspect of our operations and are actively pursuing revenue enhancement and expense reduction approaches to further remediate our \$12.4 million projected operating deficit for this fiscal year.

There are no easy answers to the very difficult and complex issues that face our community. We can assure you that the older adults and families we serve will continue to receive the compassionate care and quality services that are the hallmark of the Jewish Home.

Throughout its 137 year history, the Jewish Home has built upon its strengths and expertise to meet the evolving needs of its constituents within its economic realities. With the partnership of the Jewish Community Federation, helping local agencies such as the Jewish Home mobilize a strong and swift response to community needs, the Home can continue its longstanding tradition of service to older adults as we strategically re-position ourselves to remain responsive and responsible community stewards.

The demand for the Jewish Home's expertise and skilled nursing services currently exceeds its fiscal resources. The Home's ability to continue to serve the current number of residents, in the manner in which we serve them, is ever more dependent on the resources we, as a community, are willing to invest. There is no better time than now for our community to stand shoulder to shoulder to provide the safety net that is central to our tradition and indispensable to our community. We look forward to communicating with you in greater detail about our efforts.

Thank you.

Mark Myers

Chair, Board of Trustees
Jewish Home of San Francisco

Daniel R. Ruth

President & CEO
Jewish Home of San Francisco