San Francisco Department of Public Health



Grant Colfax, MD Director of Health

MEMORANDUM

TO: San Francisco Health Commissioners

FROM: Wasim Samara, CMA, Financial Analyst, Business Office of Contract Compliance

DATE: March 30, 2023

RE: Financial Analysis for HealthRIGHT 360 for the Fiscal Years FY 14-15 to FY 21-22

List of the Agency's Contracts:

Department / Program	Contract Name / Description				
Department of Public Health	Jail Health-BHS: Jail Health Peers Program				
Department of Public Health	SFHN-BHS: TWHC Shelter Nutritionist				
Department of Public Health	MH-Adult: Adapt MH				
Department of Public Health	MH-Adult: Adult Outpatient				
Department of Public Health	MH-Adult: CDCR Bridges - Housing Voucher				
Department of Public Health	MH-Adult: CDCR Bridges - Intensive Care Mgt Services				
Department of Public Health	Primary Care-BHS: Women's Community Clinic Primary Care				
Department of Public Health	Primary Care-BHS: Women's Community Clinic Western Addition Healthcare Training (WHAT) Program				
Department of Public Health	SA-Adult: AB109 Outpatient				
Department of Public Health	SA-Adult: AB109 Residential				
Department of Public Health	SA-Adult: AB109 Residential Step-Down				
Department of Public Health	SA-Adult: Intensive Outpatient				
Department of Public Health	SA-Adult: Outpatient				
Department of Public Health	SA-Adult: Outpatient / Intensive Outpatient ERAF				
Department of Public Health	SA-Adult: Perinatal Residential				
Department of Public Health	SA-Adult: Recovery Services				
Department of Public Health	SA-Adult: Representative Payee Program				
Department of Public Health	SA-Adult: Residential				
Department of Public Health	SA-Adult: Residential Step-Down				
Department of Public Health	SA-Adult: Residential Step-Down ERAF				
Department of Public Health	SA-Adult: Residential Withdrawal Management				
Department of Public Health	SA-Adult: Street Crisis Response Team - BH				

Department / Program	Contract Name / Description					
Department of Public Health	Primary Care-BHS: Lyon Martin Community Health Services					
Department of Public Health	HPS: HIV Testing in a Substance Use Treatment Setting					
Department of Public Health	HPH-BHS: COVID-19 Isolation & quarantine Sites					
Department of Public Health	DHSH-BHS: HSH Checking Writing					
Department of Public Health	Disease Control: TB SRO Hotels (HPH Disease Ctl)					
Department of Public Health	MH-Adult: Adult RCF/E and SNF Beds (LT)					
Department of Public Health	MH-Adult: Coordinator Case Mgt (Adult GF)					
Department of Public Health	MH-Adult: HR360 fees (Adult GF)					
Department of Public Health	MH-Adult: MHSA Adult SF First Client Expenses					
Department of Public Health	MH-Adult: MHSA Adult Stabilization Rooms					
Department of Public Health	MH-Adult: MHSA Older Adult Expenses					
Department of Public Health	MH-Adult: MHSA TAY Client Expenses					
Department of Public Health	MH-Adult: MHSA WET Trainings					
Department of Public Health	MH-Adult: Mission Act (Adult GF)					
Department of Public Health	MH-Adult: Outcome Project (Adult GF)					
Department of Public Health	MH-Adult: PPN-Adult (Managed Care)					
Department of Public Health	MH-Adult: Traditions-MD (Managed Care)					
Department of Public Health	MH-Adult: UCSF Department of Psychiatry - Subsidies (Adult GF)					
Department of Public Health	MH-Child: MH Consultation					
Department of Public Health	SA-Adult: Check Writing Fees					
Department of Public Health	SA-Adult: SUD/BOCC Expenses					
Department of Public Health	DHSH-BHS: SF HOT					
Department of Public Health	Disease Control: TB SRO Hotels (HPH Disease Ctl)					
Department of Public Health	MH-Adult: Adult RCF/E and SNF Beds (LT)					
Department of Public Health	MH-Adult: Coordinator Case Mgt (Adult GF)					
Department of Public Health	MH-Adult: DHS Pre-Trial Felong MH Diversion Program - Stabilization Room					
Department of Public Health	MH-Adult: HR360 fees (Adult GF)					
Department of Public Health	MH-Adult: IMD Alter Alternatives (Adult GF)					
Department of Public Health	MH-Adult: MHSA Admin Expenses					
Department of Public Health	MH-Adult: MHSA Adult SF First Client Expenses					
Department of Public Health	MH-Adult: MHSA Adult Stabilization Rooms					
Department of Public Health	MH-Adult: MHSA Older Adult Expenses					
Department of Public Health	MH-Adult: MHSA TAY Client Expenses					
Department of Public Health	MH-Adult: MHSA TAY Program Expenses					
Department of Public Health	MH-Adult: MHSA WET Trainings					
Department of Public Health	MH-Adult: Mission Act (Adult GF)					
Department of Public Health	MH-Adult: Mobile Crisis (Adult GF)					
Department of Public Health	MH-Adult: Outcome Project (Adult GF)					

Department / Program	Contract Name / Description				
Department of Public Health	MH-Adult: PPN-Adult (Managed Care)				
Department of Public Health	MH-Adult: Program Expenses (Adult GF)				
Department of Public Health	MH-Adult: Special Needs (Adult GF)				
Department of Public Health	MH-Adult: TAY Mental Academy WO Program Expenses				
Department of Public Health	MH-Adult: Traditions-MD (Managed Care)				
Department of Public Health	MH-Adult: Training - CME				
Department of Public Health	MH-Adult: Training - Interns				
Department of Public Health	MH-Adult: Training - Psychiatry Medical Staff				
Department of Public Health	MH-Adult: Training - SOC				
Department of Public Health	MH-Adult: UC Dept of Psychiatry - Subsidies (Adult GF)				
Department of Public Health	MH-Child: Child Crisis - Child GF				
Department of Public Health	MH-Child: Children's Acute Services				
Department of Public Health	MH-Child: FMP Wrap Around				
Department of Public Health	MH-Child: MH Consultation				
Department of Public Health	MH-Child: Training - TIS				
Department of Public Health	SA-Adult: Check Writing Fees				
Department of Public Health	SA-Adult: SUD Training				
Department of Public Health	SA-Adult: SUD/BOCC Expenses				
Department of Public Health	HPH-BHS: Street Violence Intervention Prevention (SVIP) Program				
Department of Public Health	MCAH-BHS: Black Infant Health Program				
Department of Public Health	MCAH-BHS: Community Well				
Department of Public Health	MH-Adult: 1099 Sunnydale Community Facility				
Department of Public Health	MH-Adult: Medi-Cal Billing Clerks				
Department of Public Health	MH-Adult: Street Violence Intervention Prevention (SVIP)				
Department of Public Health	MH-Child: CYF Care Management				
Department of Public Health	MH-Child: CYF Family Mosaic Project				
Department of Public Health	MH-Child: CYF SPMP Foster Care				
Department of Public Health	SA-Adult: Methadone Van				
Department of Public Health	SA-Adult: Treatment Access Program				
Department of Public Health	HHS: Plantree Housing				
Department of Public Health	HHS: Admin				
Department of Public Health	HHS: Quality Management				

Dear San Francisco Health Commissioners:

The Business Office of Contract Compliance (BOCC) collects and reviews the Audited Financial Statements of non-profit contractors. BOCC aims to assess the fiscal health of the agency, and if needed, refers the agency to technical assistance or any other resources the city can provide.

Below is a summary of the fiscal analysis for the fiscal years FY 14-15 to FY 21-22.

General Assessment

HealthRight 360 is a large agency with about \$150M in yearly expenses. The Agency carries large amounts of debt and the risk of meeting its debt obligations is moderate to high. In the past few years, the Agency has reported year after year deficits on an accrual basis, but on a cash basis its cash flow from operating activities is positive. The reason behind this discrepancy is that the agency is not generating enough revenue to cover depreciation, a non-cash expense. Although this does not affect the Agency's financial sustainability in the short term, not covering depreciation might cause financial distress in the long term when capital projects are due.

During the upcoming Citywide Fiscal and Compliance Monitoring that will take place in April/May 2023, BOCC will discuss the longer-term financial sustainability of the agency and its plan to cover debt and future capital projects.

The table below lists some of the important financial metrics from the agency's Audited Financial Statements by year.

Fiscal Year Ending in	Audit Findings Expressed by CPA auditors	Total Agency Expenses (in Thousands)	Working Capital Ratio	Risk In Meeting Short-term Obligation	Net Surplus/(Deficit) for the FY (in Thousands)	Net Operating Cash Flow from Operations (in Thousands)	Days of Operating Cash Reserves
6/30/2022	None	\$ 149,143	1.1	Moderate	\$ (963)	\$ (430)	44
6/30/2021	None	\$ 151,418	1.1	Moderate	\$ (1,149)	\$ 5,893	48
6/30/2020	None	\$ 149,638	1.2	Moderate	\$ (985)	\$ 2,123	58
6/30/2019	None	\$ 141,747	0.7	High	\$ (114)	\$ 2,574	26
6/30/2018	None	\$ 138,295	0.8	High	\$ (1,011)	\$ (7,559)	24
6/30/2017	None	\$ 115,560	0.9	High	\$ 701	\$ 10,835	67
6/30/2016	None	\$ 98,216	1.4	Moderate	\$ 5,481	\$ (1,891)	103
6/30/2015	None	\$ 86,220	0.9	High	\$ 10,947	\$ 4,174	17

The BOCC rates this agency as a "moderate risk" agency. Moderate risk agencies are agencies that have good financial standing, but also require close monitoring as there might be a few items that could tip the agency into financial trouble.

Please note: Historical financial results are a reliable indication of future results but are not a guarantee. Although it is a rare occurrence, an agency can change course dramatically during a single year.

If you have any questions regarding this monitoring, please contact me at wasim.samara@sfdph.org.