



San Francisco Department of Public Health

Grant Colfax, MD
Director of Health

City and County of San Francisco
London N. Breed
Mayor

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:

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

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.