



City and County of San Francisco
 London N. Breed
 Mayor

San Francisco Department of Public Health Grant
 Colfax, MD
 Director of Health

MEMORANDUM

TO: Michelle Ruggels
 FROM: Wasim Samara, CMA, Financial Analyst, Business Office of Contract Compliance
 DATE: February 8, 2024
 RE: Health Right 360, Inc. for the Fiscal Years FY 14-15 to FY 22-23.

List of the Agency’s Contracts:

<i>Department / Program</i>	<i>Contract Name / Description</i>
<i>Department of Public Health</i>	<i>MH-Adult: Managed Care (Adult GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHSA Staff Wellness (WET) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Training - Interns (GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHSA Adult SF First Client Expenses (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: PPN-Adult (Managed Care) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Methadone Van (#1000003037)</i>
<i>Department of Public Health</i>	<i>MH-Adult: HR360 fees (Adult GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>HHS: HR360 Planetree Housing (#1000017200)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Special Needs (Adult GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Treatment Access Program (#1000003037)</i>
<i>Department of Public Health</i>	<i>Primary Care: Sexual and reproductive health for women and women's workforce training (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Felony IST MH Diversion (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHSA WET Trainings (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Training - BHS (MHSA) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Coordinator Case Mgt (Adult GF) (#1000018756)</i>



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<i>Department of Public Health</i>	<i>MH-Adult: Training - Interns (MHSA) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Child: CYF Care Management (#1000003037)</i>
<i>Department of Public Health</i>	<i>MH-Adult: 1099 Sunnydale Community Facility (#1000003037)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHSA Admin Expenses (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Child: FMP Wrap Around (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: UC Dept of Psychiatry - Subsidies (Adult GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: SUD/BOCC Expenses (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHBG-CRRSAA Adult Emergency Stabilization Rooms CFDA#93.958 (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Child: MH Consultation (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Representative Payee Program (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Mission Act (Adult GF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Adapt MH (#1000010457)</i>
<i>Department of Public Health</i>	<i>BH-Managed Care: Outpatient (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Child: Children's Acute Services (#1000018756)</i>
<i>Department of Public Health</i>	<i>HHS: Quality Management (#1000024366)</i>
<i>Department of Public Health</i>	<i>MH-Child: CYF SPMP Foster Care (#1000003037)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Medi-Cal Billing Clerks (#1000003037)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Recovery Services (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: MHSA Adult Stabilization Rooms (#1000018756)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Adult Outpatient (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Child: Parent Training Institute (#1000003037)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Traditions-MD (Managed Care) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Contingency Management (#1000010457)</i>



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<i>Department of Public Health</i>	<i>MH-Child: CYF Family Mosaic Project (#1000003037)</i>
<i>Department of Public Health</i>	<i>Primary Care: Capacity Building Lyon Martin (#1000020842)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Adult RCF/E and SNF Beds (Beds & Facilities-Board & Care) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Intensive Outpatient (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Adult RCF/E and SNF Beds (Beds & Facilities-Psych SNF) (#1000018756)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Preinatal Residential (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Tenderloin Linkage Center (#1000017171)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Street Crisis Response Team - BH (#1000019899)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Street Violence Intervention Prevention (SVIP) (#1000003037)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Drug Sobering Center (DSC) - SoMa Recover, Initiate, Support, Engage (RISE) (#1000017171)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Residential Withdrawal Management (#1000010457)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Outpatient (#1000010457)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Residential Step-Down (#1000010457)</i>
<i>Department of Public Health</i>	<i>SA-Adult: Residential (#1000010457)</i>
<i>Department of Public Health</i>	<i>MH-Adult: Adult RCF/E and SNF Beds (LT) (#1000018756)</i>
<i>Department of Public Health</i>	<i>"Health Ed: HCV Linkage to Care (# 1000002612)"</i>

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 22-23.



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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.

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	Net Surplus/(Deficit) for the Fiscal Year (in Thousands)	Net Operating Cash Flow from Operations (in Thousands)	Days of Operating Cash Reserves
6/30/2023	<i>None</i>	\$155,028	1.0	\$ 8323	\$ 7401	49
6/30/2022	<i>None</i>	\$149,143	1.1	\$ (963)	\$ (430)	44
6/30/2021	<i>None</i>	\$151,418	1.1	\$ (1149)	\$ 5893	48
6/30/2020	<i>None</i>	\$149,638	1.2	\$ (985)	\$ 2123	58
6/30/2019	<i>None</i>	\$141,747	0.7	\$ (114)	\$ 2574	26
6/30/2018	<i>None</i>	\$138,295	0.8	\$ (1011)	\$ (7559)	24
6/30/2017	<i>None</i>	\$115,560	0.9	\$ 701	\$ 10835	67
6/30/2016	<i>None</i>	\$98,216	1.4	\$ 5481	\$ (1891)	103
6/30/2015	<i>None</i>	\$86,220	0.9	\$ 10947	\$ 4174	17
Total for the 8 years				\$ 21230	\$ 23120	



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The BOCC rates this agency as a “low risk” agency. Low risk agencies are agencies that have solid financials and have the capability to absorb some losses in turbulent times. Such agency also has the financial capability to take on new programs and expand.

Please note: Historical financial results are a reliable indication of future results but is 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.