

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Committee
FROM: Budget and Legislative Analyst 
SUBJECT: October 11, 2023 Budget and Finance Committee Meeting

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<p>Item 3 File 23-9064</p>	<p>Department: Public Health (DPH)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would authorize a first amendment to the Department of Public Health’s agreement with Mission Neighborhood Health Center to extend the term by six years, from February 29, 2024 to February 28, 2030. The proposed resolution would also increase the contract’s not-to-exceed amount by \$6,624,852 from \$4,675,458 to \$11,300,310 and DPH would be authorized to enter into immaterial modifications of the agreement. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Mission program provides medical case management, nursing, and counseling services to a target population of HIV-positive Latino/a/x, with a focus on immigrants who are monolingual Spanish-speaking or have limited English proficiency and/or experiencing unstable housing or homelessness, and with behavioral health needs resulting in difficulties in remaining engaged in primary care. The program received the highest rating possible during its last performance monitoring visit, which covered the period March 1, 2021 to February 28, 2022. The program was found to have achieved 100 percent of its seven contracted performance objectives and to have served 91 percent or 297 of the targeted 325 unduplicated clients. The program provided 58 percent of the target units of service (hours of medical and mental health care), with client hesitancy to meet due to COVID-19 and staffing challenges being cited as causal factors for not meeting units of service targets. The proposed amendment makes only slight adjustments to staffing levels and units of service to be provided. The number of unduplicated clients to be served annually remains unchanged. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The contract extension would commit an additional \$6,624,852 in HIV/AIDS federal funding over a six-year period. The annual cost of the program is approximately \$1.1 million. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> The program is achieving its funded purpose and knowledge that its funding will extend for six years may help the program with its long-range planning efforts. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND**Procurement Process**

On December 12, 2019, the Department of Public Health (DPH), HIV Health Services (HHS), issued request for proposal (RFP) #5-2019 for outpatient/ambulatory HIV health services. The purpose of the RFP was to identify integrated medical and behavioral health providers to serve four priority HIV populations: (1) the elderly and the homeless, (2) women, (3) Mission District, and (4) and African Americans. RFP 5-2019 continued outpatient/ambulatory HIV health services, which had previously been solicited under RFP 20-2010. Mission Neighborhood Health Center (MNHC), which had been providing services under RFP 20-2010, was the sole applicant for the Mission program and was awarded a contract.

Mission Program

The Mission program focuses on HIV-positive Latino/a/x, with a focus on immigrants who are monolingual Spanish-speaking or have limited English proficiency and/or experiencing unstable housing or homelessness, and with behavioral health needs resulting in difficulties in remaining engaged in primary care.

Original Agreement and Amendments

Following RFP #5-2019, DPH entered into an agreement with MNHC on March 1, 2020 with a term of March 1, 2020 – February 29, 2024 and a not-to-exceed amount of \$4,675,458. The original agreement provided the City with six options to renew the agreement for one-year periods. The agreement has not been amended.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the first amendment to DPH's original agreement with Mission Neighborhood Health Center, extending the term by six years, from February 29, 2024 to February 28, 2030 and increasing the not-to-exceed amount by \$6,624,852 from \$4,675,458 to \$11,300,310. The amendment would also authorize DPH to enter into immaterial modifications of the agreement.

Services

MNHC will provide the following eight services at 240 Shotwell Street:

- Ambulatory Health Service Encounters: This consists of medical services provided by a health care practitioner who acts as the central provider and coordinator of patient care and includes medical evaluation, immune system monitoring, minor preventive and therapeutic medical services, medical referrals, tests, and follow-up.
- Nursing Treatment Adherence Hours: This consists of education and support provided by an LVN or RN to facilitate medication adherence, including a review of medications prescribed, instructions for use, tips on organizing medications and using Medi-sets, translating prescriptions labels into Spanish, explaining side effects and drug interactions, and monitoring refills.
- Medical Case Management Hours: This consists of comprehensive psychosocial assessment, development, implementation, and follow-up of individual client care plans and clinical consultation with other service providers as needed.
- Individual Treatment Adherence Hours: This consists of individual health and treatment education/support sessions and tracking medication adherence protocols.
- Group Treatment Adherence Hours: This consists of group health and treatment education/support sessions and tracking medication adherence protocols.
- Mental Health Counseling Hours: This consists of psychological evaluation and counseling for clients with a diagnosed mental illness including crisis intervention, brief and long-term individual therapy, and family/collateral services to support treatment goals.
- Individual Substance Abuse Counseling Hours: This consists of individual assessment and evaluation of substance use history, current use, range of symptoms, strengths, coping methods, previous experience in recovery (if any); short-term counseling and support to reduce substance use-related behavioral risk factors and referrals as needed.
- Group Substance Abuse Hours: This consists of short-term group counseling, and referrals as needed to address substance use/abuse issues such as alcohol, legal and illegal drugs.

Performance Monitoring

On April 27, 2023 a site visit was conducted and monitoring report issued by the DPH for the period March 1, 2021 – February 28, 2022. MHNC was rated “Four – Commendable/Exceeds Standards,” which is the highest rating achievable.

The program was found to have achieved 100 percent of its seven contracted performance objectives, which were that:

- 80% of HIV+ clients will have had two or more medical visits during the year.
- 90% of clients with HIV who received primary care services will have been prescribed antiretrovirals treatment (ART).
- 90% of clients with HIV who received primary care services will have had at least viral load test.
- 80% of clients will have a viral load <200 copies/ml which will indicate viral suppression and treatment adherence.
- 85% of clients with HIV and a CD4 T-cell count \leq 200 cells/mm³ will be prescribed PCP prophylaxis.

- 80% of clients with HIV who received primary care services will be tested for syphilis, with results documented.
- 80% of clients with HIV who received primary care services will have been screened for Hepatitis C.

The program was found to have served 91.4 percent of its contracted unduplicated client target or 297 of the targeted 325 unduplicated clients in contract year 2021-2022.

The program was found to have provided 58.2 percent of its contracted units of service in contract year 2021-2022. Per the DPH monitoring report, the program attributed the low percentage of units of service provided to clients preferring not to meet in person due to the risk of acquiring COVID-19. The report also states that group activities were cancelled due to safe distancing requirements and the risk of exposure to COVID-19. Staff vacancies and difficulty recruiting candidates were cited as factors contributing to the low number of case management, substance use, and mental health units of service provided.

According to Michelle Ruggels, Director of the DPH Business Office, staff vacancies and recruitment challenges have impacted many nonprofit organizations. As a result, the City has implemented several initiatives. In May 2023, the Mayor and Board of Supervisors approved a 4.75 percent cost of doing business (COBD) increase for behavioral health organizations. Additionally, the Minimum Compensation for non-profits was increased to \$18.93/hour in FY 2023-24, which may have a cascading impact on higher levels of compensation. In addition, File 23-0483 is an ordinance pending Board of Supervisors' approval which would require the Controller to include cost increases with nonprofit organizations in the base budget of City Departments, which in turn may provide certainty of funding levels for non-profits in subsequent budget years.

Exhibit 1 below provides the contracted and actual units of service provided during the period.

Exhibit 1: Unit of Service Provided March 1, 2021 – February 28,2022

Service Description	Contracted Hours	Actual Hours Provided	Percent Provided
Medical Case Management	1,170	243	21%
Medical Case Management – A (see note below)	1,750	839	48%
Mental Health Outpatient	1,074	376	35%
Nursing Treatment Adherence	673	1,405	208%
Outpatient Ambulatory Health Services	1,090	927	85%
Outpatient Substance Abuse Services Group	81	0	0%
Outpatient Substance Abuse Services Individual	1,100	403	37%
Treatment Adherence Group	90	0	0%
Treatment Adherence Individual	650	273	42%
TOTAL	7,678	4,466	58%

Source: DHS Monitoring Report

Note: Medical Case Management has two funding sources – Ryan White Part A and Ryan White Part A Minority AIDS Initiative Fund which provides funding to improve access to HIV care and health outcomes for racial and ethnic minority populations disproportionately affected by HIV. Funding levels vary year to year, depending on demographic data.

Fiscal Monitoring

The Mayor’s Office of Housing and Community Development completed a fiscal and compliance monitoring review on June 12, 2023. The review did not result in any findings. Additionally, the reviewers found that the program was in conformance with all governance best practices.

FISCAL IMPACT

The proposed amendment would increase the agreement’s non-to-exceed amount by \$6,624,852 over a six-year period. Excluding the contingency amount, this equates to annual spending of \$1,103,760, which would be broken down as shown in Exhibit 2 below.

Exhibit 2: Sources and Uses of Proposed Funding

Sources	Amount (\$)
Ryan White Part A	632,257
Ryan White Part A/MAI	245,726
Ryan White Part A/MAI	225,777
Total Sources	\$1,103,760
Uses	
Salary & Benefits	891,590
Operating Expenses	121,033
Subtotal	1,012,623
Indirect Cost Rate (9%)	91,137
Total Uses	\$1,103,760

Source: Proposed Amendment

Note: Ryan White Part A/MAI refers to Ryan White, Part A, Minority AIDS Initiative, a federal funding source, which is specifically set apart to target a specific population disproportionately impacted by HIV/AIDS. The second Part A/MAI line item is specific to funds that will be allocated to subcontractor Instituto Familiar de la Raza for this purpose.

As shown above, the proposed amendment would provide MNHS with just over \$1.1 million annually. The funding would support 10.59 FTE and provide for fringe benefits at a rate of 30 percent of salary. As compared to the initial agreement, the number of FTE remains relatively unchanged, increasing by 0.15 FTE. There would also be adjustments to the target number of units of service for some service categories, but the target number of unduplicated clients receiving services would remain unchanged at 325 annually.

The source of funding for this program is the Ryan White Part A and Ryan White Part A Minority AIDS Initiative, which are federal programs that fund grants to areas most affected by the HIV epidemic.

The actual and projected contract expenditures by year are shown in Exhibit 3 below.

Exhibit 3: Actual and Projected Expenditures

Actual & Projected Expenditures	
March 2020 – Feb 2021	918,336
March 2021 – Feb 2022	966,972
March 2022 – Feb 2023	761,524
March 2023 – Feb 2024	1,103,760
Subtotal, Actual & Projected	3,750,592
Proposed Expenditures	
March 2024 – Feb 2025	1,103,760
March 2025 – Feb 2026	1,103,760
March 2026 – Feb 2027	1,103,760
March 2027 – Feb 2028	1,103,760
March 2028 – Feb 2029	1,103,760
March 2029 – Feb 2030	1,103,760
Subtotal, Proposed	6,622,560
Contingency (12%)	927,158
Total Projected Spending	11,300,310

Source: DPH

POLICY CONSIDERATION

The proposed amendment provides for the continuation of services funded through the federal Ryan White Part A program. Program staffing, the unduplicated target number of clients, and services to be provided would not materially change from the current program model.

Although it did not meet its units of service target, the program received the highest rating in its most recent performance monitoring review and served 90 percent of the clients it was contracted to serve. There were no findings in the program’s most recent fiscal monitoring.

RECOMMENDATION

Approve the proposed resolution.