

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**Second Amendment**

THIS AMENDMENT (this "Amendment") is made as of **July 1, 2016**, in San Francisco, California, by and between **HealthRIGHT360** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

**RECITALS**

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor have entered into the Agreement (as defined below); and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to increase the contract amount, extend the contract term and update Appendices;

WHEREAS, approval for this Amendment was obtained when the Civil Service Commission approved Contract number 2011-08/09 on April 4, 2016;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**1a. Agreement.** The term "Agreement" shall mean the Agreement dated July 1, 2008 between Contractor and City, as amended by the:

First Amendment	Dated 1/12/16 Contract Number BPHM14000009, and
Second Amendment	This amendment.

**1b. Contract Monitoring Division. Contract Monitoring Division.** Effective July 28, 2012, with the exception of Sections 14B.9(D) and 14B.17(F), all of the duties and functions of the Human Rights Commission under Chapter 14B of the Administrative Code (LBE Ordinance) were transferred to the City Administrator, Contract Monitoring Division ("CMD"). Wherever "Human Rights Commission" or "HRC" appears in the Agreement in reference to Chapter 14B of the Administrative Code or its implementing Rules and Regulations, it shall be construed to mean "Contract Monitoring Division" or "CMD" respectively.

**1c. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

2a. Section 2. of the Agreement currently reads as follows:

2. Terms of the Agreement. Subject to Section 1, the term of this Agreement shall be from December 31, 2013 through June 30, 2016.

Such section is hereby amended in its entirety to read as follows:

2. Terms of the Agreement. Subject to Section 1, the term of this Agreement shall be from December 31, 2013 through June 30, 2018.

2b. Section 5 of the Agreement currently reads as follows:

5. **Compensation.** Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the **Director of the Department of Public Health**, in his or her sole discretion, concludes has been performed as of the 15th day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Forty Three Million Six Hundred Nine Thousand Four Hundred Sixty One Dollars (\$43,609,461)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **Department of Public Health** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

Such section is hereby amended in its entirety to reads as follows:

5. **Compensation.** Compensation shall be made in monthly payments on or before the 30th day of each month for work, as set forth in Section 4 of this Agreement, that the **Director of the Department of Public Health**, in his or her sole discretion, concludes has been performed as of the 15th day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Seventy Nine Million Seven Hundred Twenty Thousand Seven Hundred Ten Dollars (\$79,720,710)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **Department of Public Health** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall City be liable for interest or late charges for any late payments.

- 2c. Deleted Appendix B (Calculation of Charges), and replace in its entirety with Appendix B (Calculation of Charges) dated 7/1/16.**
- 2d. Add Appendix A-1 dated 7/1/16.**
- 2e. Add Appendix B-1 dated 7/1/16.**
- 2f. Add Appendix L.**
- 3. Effective Date.** Each of the modifications set forth in Section 2 shall be effective on and after date of this amendment.
- 4. Legal Effect.** Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.


IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.


CITY

CONTRACTOR

Recommended by:

HealthRIGHT360


  
Date 5/9/16  
Barbara Garcia, MPA  
Director of Health

  
Date 5/5/2016  
Vitka Eisen, MSW, EdD  
Chief Executive Director  
1735 Mission Street  
San Francisco, CA 94103


Approved as to Form:

City vendor number: 08817

Dennis J. Herrera  
City Attorney

By:   
Date 5/10/16  
Kathy Murphy  
Deputy City Attorney

Approved:

  
Date 6/16/16  
for Jaci Fong *icdmurgo*  
Director of the Office of Contract  
Administration, and Purchaser

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**Appendices:**

**Appendix A-1: Description of Services**

**Appendix B Calculation of Charges**

**Appendix B-1 Budget Summary**

**Appendix L Asset Management and Reporting Requirements**

## 1. Agency and Program Identification

Name: HealthRIGHT360, *fiscal administrator for CBHS and Housing*  
Address: 1380 Howard Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103  
Phone: 415-255-3500 / 415-255-3416  
Fax: 415-255-3529 / 415-554-2658  
Contact Name: Shirley Giang, Budget Manager

## 2. Nature of Document (check one)

New       Renewal       Modification

## 3. Background

The San Francisco Department of Public Health's (SFPDH) Community Behavioral Health Services (CBHS) solicited proposals from qualified vendors to serve as a FISCAL ADMINISTRATOR (CONTRACTOR) for check-writing services for four categories of services:

- 1) Private Provider Network (PPN);
- 2) Residential Care Facilities (RCFs);
- 3) Client wraparound services and related expenses; and
- 4) Emergency Stabilization Program via DPH's Housing section.

The four types of services are described as follows:

### A. San Francisco Health Plan Private Provider Network (PPN):

On April 1, 1998, the Department assumed responsibility from the State for providing specialty mental health services to San Francisco Medi-Cal beneficiaries and other eligible San Francisco Mental Health Plan (SFMHP) members, including residents who are indigent and/or uninsured. Most of the providers of these services have a contract with CBHS for the provision of these services. However, CBHS utilizes non-contract providers to serve SFMHP members who reside in other California counties, with emergency or urgent care needs. Since non-contract providers are not considered "VENDORS" in the City's accounts payable system, the SFMHP utilizes a FISCAL ADMINISTRATOR (CONTRACTOR) to provide payment to these non-contract providers, both within San Francisco County and out-of-county to fulfill the obligations of the San Francisco Mental Health Plan to provide necessary care to its clients.

### B. Residential Care Facilities (RCFs) and Residential Care Facilities for the Elderly (RCFEs)

CBHS has as one of its longest-standing missions the goal of achieving and maintaining optimal health for its clients in non-institutional settings, such as, licensed Residential Care Facilities (RCFs) and licensed Residential Care Facilities for the Elderly (RCFEs). CBHS recognizes these licensed facilities as a key component within the continuum of care that assists its clients to live in a stable community setting.

However, as these providers are small, home-like operations that are owner-occupied licensed facilities, the Department enters into a Memorandum of Agreement ("MOA") for placement of SFPDH mental health clients into these facilities, paying a daily per diem for each client or bed utilized by mental health clients. Payments are made either monthly or quarterly for services rendered during the previous month or quarter, or in some cases payments are made in advance of services rendered. Since non-contract providers are not considered "VENDORS" in the City's accounts payable system, the SFMHP utilizes a FISCAL

ADMINISTRATOR (CONTRACTOR) to provide payment to these non-contract residential care home owners, both within San Francisco County and out-of-county.

C. Client Wraparound Services and Related Expenses

CBHS utilizes FISCAL ADMINISTRATOR (CONTRACTOR) to support the function of providing client wraparound and related services. These fiscal administration services include: direct check writing for a wide variety of services or expenses that will assist in a client's stabilization efforts, such as for emergency housing needs or food, and for non-emergency services such as transportation, clothing, and vocational training. These services are provided by a large range of entities, and are required on an emergency or as-needed basis. Additionally, consultants are utilized for amounts up to approximately \$10,000 to assist in efforts identified to improve the service delivery system, or to address an emergent issue. Fiscal Administration services may be used for miscellaneous related costs that occur on a one-time or limited basis.

D. Emergency Housing Program via Housing and Urban Health (HUH)

The SFDPH Housing Section utilizes a fiscal administrator to provide payment to several dozen building owners within San Francisco. Many of these building owners operate small hotel operations, and make housing slots available to SFDPH through a Memorandum of Understanding (MOA) specifying a monthly rate for a specified number of rooms. Payments are made monthly or quarterly for services rendered during the previous month, or in some cases payments are made in advance of services rendered. Since non-contract providers are not considered "VENDORS" in the City's accounts payable system, the SFMHP utilizes a FISCAL ADMINISTRATOR (CONTRACTOR) to provide payment to these San Francisco building owners.

Target populations for housing placements include homeless clients with special needs who are referred by specific DPH programs, including for clients discharged from Zuckerberg San Francisco General Hospital (ZSFGH), or from the Sobering Center, as well as those referred by the San Francisco Homeless Outreach Team (HOT). Additionally, housing slots are maintained for SFDPH's Project Homeless Connect referrals. Finally, the Fiscal Administration services provide check writing for vouchers and subsidies needed for clients served by four different SFGH/UCSF case management programs: Citywide Case Management, CRT, ED, and Community Focus. (Can you spell these out Junko?)

SFGH/UCSF also maintains MOAs with their operators that include an agreed monthly rent and payment schedule.

**4. Services to be Provided**

CONTRACTOR. will provide fiscal administration services on behalf of the CBHS and Housing Sections of the San Francisco Department of Public Health. The check-writing services will be provided for the following categories::

1. San Francisco Health Plan Private Provider Network (PPN),
2. Residential Care Facilities (RCFs) and Residential Care Facilities for the Elderly (RCFEs), and
3. Client Wraparound Services and Related Expenses
4. Housing

The FISCAL ADMINISTRATOR (CONTRACTOR) will open and maintain a bank account to deposit contract funds, which are paid either weekly or monthly depending upon the type of service being paid for,

and the FISCAL ADMINISTRATOR (CONTRACTOR) will draw on such bank account funds on a weekly or monthly basis to pay CBHS providers. The FISCAL ADMINISTRATOR (CONTRACTOR) will not commingle CBHS funds with non-CBHS funds. CBHS will require the FISCAL ADMINISTRATOR (CONTRACTOR) to have adequate funds in the account(s) prior to writing and distributing checks against the account(s).

The FISCAL ADMINISTRATOR (CONTRACTOR) will provide bank account status and an expenditure report by cost center to CBHS monthly (See "General Procedures"), as well as an electronic file listing out information on checks issued. Additionally, a monthly invoice will be provided to CBHS itemizing the total value of the checks, by cost center, and the value of the total check-writing fee. The monthly invoice will be required for reimbursement. Any bank interest earned in the bank account will be returned to CBHS and any funds not utilized at the end of the fiscal year will be returned to CBHS within 45 days, unless an alternative is negotiated. The FISCAL ADMINISTRATOR (CONTRACTOR) will also keep records regarding an annual accounting of monies spent per provider and issue the annual Form 1099 to each provider, as necessary.

The price-per-check shall be as follows:

- \$22.00 per check

This cost to CBHS per check should be unrelated to the actual dollar value of the check and will be a fixed rate as determined by award of this RFP.

The FISCAL ADMINISTRATOR (CONTRACTOR) shall provide a report each month following the month of check writing that displays:

- 1) To whom each check was paid,
- 2) Date of check,
- 3) Check number,
- 4) Date mailed,
- 5) Amount of check,
- 6) Account balance,
- 7) Individual cost center balances and
- 8) A monthly invoice indicating the value of the checks, by cost center and the total monthly check fee to be paid to the FISCAL ADMINISTRATOR (CONTRACTOR).

**GENERAL PROCEDURES:**

The procedures below are applicable to the check-writing services to be provided under this contract

1. Any disagreement about claims, payment inquiries, and other related issues from the providers will be handled and resolved by CBHS.
2. The FISCAL ADMINISTRATOR (CONTRACTOR) will maintain accounting records and disclosures.
3. The FISCAL ADMINISTRATOR (CONTRACTOR) will adhere to CBHS Confidentiality and Privacy requirements of maintaining provider financial information such as provider social security number, tax I.D. number, name, address, etc.



4. The FISCAL ADMINISTRATOR (CONTRACTOR) will issue checks for claims based on authorized payment requests as submitted by the appropriate CBHS Staff. See specific payment procedures for details about turnaround time for writing checks for the three types of CBHS services.
5. The FISCAL ADMINISTRATOR (CONTRACTOR) will be responsible for tracking all payments to each provider. The FISCAL ADMINISTRATOR (CONTRACTOR) will keep individual provider's data of Federal ID number, report of monthly payment information, and generate annual Tax Form 1099 where applicable or requested by CBHS. A final report (Annual Payment Summary) containing a summary of these 1099 records will be sent to CBHS by January 31 of the New Year.
6. The FISCAL ADMINISTRATOR (CONTRACTOR) will develop and generate contract budget modifications as directed by CBHS. The FISCAL ADMINISTRATOR (CONTRACTOR) will obtain prior approval from CBHS before changing a budget.
7. The FISCAL ADMINISTRATOR (CONTRACTOR) will comply with audit requirements as pursuant to the contract.
8. The FISCAL ADMINISTRATOR (CONTRACTOR) will comply with cost report requirements as directed by CBHS, including annual settlement and reconciliation procedures.
9. The FISCAL ADMINISTRATOR (CONTRACTOR) will provide access to financial records and internal back-up documents related to CBHS funds as requested by CBHS.
10. The FISCAL ADMINISTRATOR (CONTRACTOR) will provide insurance for liability and malpractice as outlined in the insurance requirements attached. As well as any bonding required by the Dept

**PAYMENT PROCEDURES:**

Private Practitioners Monthly Payment Procedures:

1. The CBHS Claims Supervisor or CBHS Billing Manager will send multiple weekly batches of authorized requests for payments to CONTRACTOR via encrypted e-mail message and followed by a confidential fax.
2. The FISCAL ADMINISTRATOR (CONTRACTOR) will direct all claim and payment questions to the CBHS Claims Supervisor or Billing Manager for solution.
3. The FISCAL ADMINISTRATOR (CONTRACTOR) will write checks based upon payment requests received, and return the checks within three business days from the date the request is received to the CBHS Claims Supervisor. The CBHS Claims Supervisor will reconcile check amounts against the payment request and Explanation of Benefits (EOBs) and then will mail checks to providers.

Residential Care Facility and Residential Care Facility for the Elderly Monthly Payment Procedures:

1. CBHS will send authorized payment requests once a month to The FISCAL ADMINISTRATOR (CONTRACTOR), Inc. via encrypted e-mail message and followed by a confidential fax.
2. The FISCAL ADMINISTRATOR (CONTRACTOR) will write checks based upon payment requests received and will mail the checks within five business days of receiving the request directly to the RCFs and RCFEs.
3. The FISCAL ADMINISTRATOR (CONTRACTOR) will direct all claim and payment questions to CBHS for resolution.
4. The FISCAL ADMINISTRATOR (CONTRACTOR) will mail a check and a photocopy of the invoice to each residential care provider no later than the 20th day of each month.
5. The FISCAL ADMINISTRATOR (CONTRACTOR) will send the following information monthly to the CBHS RCNM: a) a profit-loss statement of how much was paid out and a general ledger report, b) a budget vs. actual report, c) a bank statement report, and d) a cost reimbursement report. CONTRACTOR will also prepare an End-of-the-Year reconciliation report.

**Client Wraparound Services Monthly Payment Procedures:**

1. CBHS will send requests for payments to CONTRACTOR. CONTRACTOR will issue checks within five working days from the date the request is received. Checks will be distributed directly to the provider, or based on separate instructions.
2. The FISCAL ADMINISTRATOR (CONTRACTOR) will provide record keeping for all funding transactions.
3. The FISCAL ADMINISTRATOR (CONTRACTOR) will pay all consultant expenses approved by CBHS and is responsible for maintaining agreement with consultants.

The checks will be prepared by a staff accountant who will forward the checks and a copy of the payment request to a manager for review. The checks will be signed by the principal of the firm who will then forward the checks and payment requests to the appropriate persons. Monthly and annual reports will be prepared and maintained by the firm manager who will forward the required reports to CBHS by the 15<sup>th</sup> of the following month.

**Housing Section Monthly Payment Procedures:**

1. CBHS will send requests for payments to the FISCAL ADMINISTRATOR (CONTRACTOR) as they are received by CBHS. The FISCAL ADMINISTRATOR (CONTRACTOR) will issue and mail checks within five working/business days from the date the request is received via confidential fax. Original copy of the request will be mail to FISCAL ADMINISTRATOR (Contractor) for record keeping. Checks will be mailed directly to the provider, or based on separate instructions.
2. The FISCAL ADMINISTRATOR (CONTRACTOR) will direct all claim and payment questions to the CBHS Claims Supervisor or Billing Manager for solution. Hotel operators will not be contacted by FISCAL ADMINISTRATOR (CONTRACTOR).

3. The FISCAL ADMINISTRATOR (CONTRACTOR) will provide record keeping for all funding transactions.
4. The FISCAL ADMINISTRATOR (CONTRACTOR) will send the following information monthly to the CBHS RCNM: a) a profit-loss statement of how much was paid out and a general ledger report, b) a budget vs. actual report, c) a bank statement report, and d) a cost reimbursement report. An End-of-the-Year reconciliation report is also required.

The FISCAL ADMINISTRATOR (CONTRACTOR) will pay all expenses approved by Housing Section

Reports to be provided by the FISCAL ADMINISTRATOR (CONTRACTOR) to CBHS/HUH:

1. Monthly payment summary containing the following payment information: dollar amount of each check, check date, check numbers, and a copy of the authorized payment request marked "PAID" and date-stamped on the invoice to document the date of check mailing.
2. Annual payment summary on fiscal year basis.
3. Monthly photocopy of bank statement(s), which will be a separate account opened and maintained by FISCAL ADMINISTRATOR (CONTRACTOR). FISCAL ADMINISTRATOR (CONTRACTOR) will not co-mingle non-CBHS funds in the bank account with CBHS funds.
4. Monthly Fee Statement: FISCAL ADMINISTRATOR (CONTRACTOR) will submit a monthly invoice detailing the value of all of the checks written, categorized by cost center, and the total value of the check fees to be paid to the FISCAL ADMINISTRATOR (CONTRACTOR) within 15 working days following the end of the previous calendar month. The FISCAL ADMINISTRATOR (CONTRACTOR) will not be entitled to any bank interest earned by the account. CBHS will monitor fee statements and number of checks issued in each calendar month submitted by FISCAL ADMINISTRATOR (CONTRACTOR).
5. Monthly Accounts Payable Cost Center Report that contains revenue and expenditure detail by cost center and general ledger detail.

**Appendix B**  
**Calculation of Charges**

**1. Method of Payment**

A. Invoices furnished by CONTRACTOR under this Agreement must be in a form acceptable to the Contract Administrator and the CONTROLLER and must include the Contract Progress Payment Authorization number or Contract Purchase Number. All amounts paid by CITY to CONTRACTOR shall be subject to audit by CITY. The CITY shall make monthly payments as described below. Such payments shall not exceed those amounts stated in and shall be in accordance with the provisions of Section 5, COMPENSATION, of this Agreement.

Compensation for all SERVICES provided by CONTRACTOR shall be paid in the following manner. For the purposes of this Section, "General Fund" shall mean all those funds which are not Work Order or Grant funds. "General Fund Appendices" shall mean all those Appendices which include General Fund monies.

**(1) Fee For Service (Monthly Reimbursement by Certified Units at Budgeted Unit Rates):**

CONTRACTOR shall submit monthly invoices in the format attached, Appendix F, and in a form acceptable to the Contract Administrator, by the fifteenth (15<sup>th</sup>) calendar day of each month, based upon the number of units of service that were delivered in the preceding month. All deliverables associated with the SERVICES defined in Appendix A times the unit rate as shown in the Appendices cited in this paragraph shall be reported on the invoice(s) each month. All charges incurred under this Agreement shall be due and payable only after SERVICES have been rendered and in no case in advance of such SERVICES.

**B. Final Closing Invoice**

**(1) Fee For Service Reimbursement:**

A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of each fiscal year of the Agreement, and shall include only those SERVICES rendered during the referenced period of performance. If SERVICES are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to CITY. CITY'S final reimbursement to the CONTRACTOR at the close of the Agreement period shall be adjusted to conform to actual units certified multiplied by the unit rates identified in Appendix B attached hereto, and shall not exceed the total amount authorized and certified for this Agreement.

C. Payment shall be made by the CITY to CONTRACTOR at the address specified in the section entitled "Notices to Parties."

D. Upon execution of this Agreement, contingent upon prior approval by the CITY'S Department of Public Health of each year's revised Appendix A (Description of Services) and each year's revised Appendix B (Program Budget and Cost Reporting Data Collection Form), and within each fiscal year, the CITY agrees to make an initial payment to CONTRACTOR not to exceed \$3.6 Million (25%) of the General Fund and Prop63 portion of the CONTRACTOR'S allocation for the applicable fiscal year.

CONTRACTOR agrees that within that fiscal year, this initial payment of \$3,6 Million shall be recovered by the CITY through a reduction to monthly payments to CONTRACTOR during the period of January through June of the applicable fiscal year, unless and until CONTRACTOR chooses to return to the CITY all or part of the initial payment for that fiscal year. The amount of the initial payment recovered each month shall be calculated by dividing the total initial payment for the fiscal year by the total number of months for recovery. Any termination of this Agreement, whether for cause or for convenience, will result in the total outstanding amount of the initial payment for that fiscal year being due and payable to the CITY within thirty (30) calendar days following written notice of termination from the CITY.

**2. Program Budgets and Final Invoice**

A. Program Budgets are listed below and are attached hereto.

Appendix B-1: Fiscal Intermediary(Budget & Fee)

B. COMPENSATION

Compensation shall be made in monthly payments on or before the 30<sup>th</sup> day after the DIRECTOR, in his or her sole discretion, has approved the invoice submitted by CONTRACTOR. The breakdown of costs and sources of revenue associated with this Agreement appears in Appendix B, Cost Reporting/Data Collection (CR/DC) and Program Budget, attached hereto and incorporated by reference as though fully set forth herein. The maximum dollar obligation of the CITY under the terms of this Agreement shall not exceed **seventy Nine Million Seven Hundred Twenty Thousand Seven Hundred Ten Dollars (\$79,720,710)** for the period of December 31, 2013 through June 30, 2018.

CONTRACTOR understands that, of this maximum dollar obligation, \$8,355,786 is included as a contingency amount and is neither to be used in Appendix B, Budget, or available to CONTRACTOR without a modification to this Agreement executed in the same manner as this Agreement or a revision to Appendix B, Budget, which has been approved by the Director of Health. CONTRACTOR further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable CITY and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by the Controller. CONTRACTOR agrees to fully comply with these laws, regulations, and policies/procedures.

(1) For each fiscal year of the term of this Agreement, CONTRACTOR shall submit for approval of the CITY's Department of Public Health a revised Appendix A, Description of Services, and a revised Appendix B, Program Budget and Cost Reporting Data Collection form, based on the CITY's allocation of funding for SERVICES for the appropriate fiscal year. CONTRACTOR shall create these Appendices in compliance with the instructions of the Department of Public Health. These Appendices shall apply only to the fiscal year for which they were created. These Appendices shall become part of this Agreement only upon approval by the CITY.

(2) CONTRACTOR understands that, of the maximum dollar obligation stated above, the total amount to be used in Appendix B, Budget and available to CONTRACTOR for the entire term of the contract is as follows, notwithstanding that for each fiscal year, the amount to be used in Appendix B, Budget and available to CONTRACTOR for that fiscal year shall conform with the Appendix A, Description of Services, and a Appendix B, Program Budget and Cost Reporting Data Collection form, as approved by the CITY's Department of Public Health based on the CITY's allocation of funding for SERVICES for that fiscal year.

January 1, 2014 through June 30, 2014	\$5,836,543
July 1, 2014 through June 30, 2015	\$17,284,460
July 1, 2015 through June 30, 2016	\$16,081,727
July 1, 2016 through June 30, 2017	\$16,081,097
July 1, 2017 through June 30, 2018	\$16,081,097
<b>January 1, 2014 through June 30, 2018</b>	<b>\$71,364,924</b>
Contingency	\$8,355,786
<b>G. Total:</b>	<b>\$79,720,710</b>

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without there first being a modification of the Agreement or a revision to Appendix B, Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in Appendix B in the provision of SERVICES. Changes to the budget that do not increase or reduce the maximum dollar obligation of the CITY are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. CONTRACTOR agrees to comply fully with that policy/procedure.

D. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

F. CONTRACTOR understands and agrees that should the CITY'S maximum dollar obligation under this Agreement include State or Federal Medi-Cal revenues, CONTRACTOR shall expend such revenues in the provision of SERVICES to Medi-Cal eligible clients in accordance with CITY, State, and Federal Medi-Cal regulations. Should CONTRACTOR fail to expend budgeted Medi-Cal revenues herein, the CITY'S maximum dollar obligation to CONTRACTOR shall be proportionally reduced in the amount of such unexpended revenues. In no event shall State/Federal Medi-Cal revenues be used for clients who do not qualify for Medi-Cal reimbursement.

# HealthRIGHT360

## Appendix B-1 Fiscal Year 2016-2017

			16-17
		Fee = \$22 per check, as of 1/1/14	
Division	Funding Source		
CBHS	General Fund	HMHMLT730416	9,550,000
CBHS	General Fund	HMHMCC730515	632,804
CBHS	Project	HMHMOPMGDCAR-PHMGDC 16	52,102
CBHS	Project	HMHMOPMGDCAR-PHMGDC16	408,652
CBHS	Grant	HMHMRCGRANTS HMM007-1601 CFDA#93.958	14,639
CBHS	Grant	HMHMRCGRANTS HMPATH15	
CBHS	Project	HMHMPROP63 1603	30,000
CBHS	Project	HMHMPROP63 1605	60,000
CBHS	Project	HMHMPROP63 1606	15,000
CBHS	Project	HMHMPROP63 1607	200,000
CBHS	Project	HMHMPROP63 1608	60,000
CBHS	Project	HMHMPROP63 1410	
CBHS	General Fund	HCHLENOWVRGF	570,000
CBHS	Grant	HMHMOPMGDCAR-PHMC04	
CBHS	General Fund	HCHTWCISOBRGF	
<b>Sub Adult Total:</b>			<b>11,593,197</b>
CBHS	General Fund	HMHMCP751594	201,630
CBHS	Work Order	HMHMCP8828CH - Cap MediCal	60,000
CBHS	Work Order	HMHMCHTBSSWO	38,572
CBHS	Work Order	HMHMCHTHFCWO	26,568
CBHS	Work Order	HMHMCHPTINWO	80,000
CBHS	Work Order	HMHMCHPTRIWO	148,297
CBHS	Project	HMHMPROP63 1604	36,000
<b>Sub Children Total:</b>			<b>591,067</b>
HUH	UCSF dept of Psychiatry	HMHMCC730515	75,000
HUH	UCSF dept of Psychiatry	HCHSHHOUSGGF	70,000
HUH	SF Homeless Outreach Team	HCHSHHOUSGGF	2,100,000
HUH	SF Homeless Outreach Team	HCHSHHOUSGGF	36,000
HUH	150 Otis Transition	HCHSHCPSSIPJ	489,697
HUH	Adult Probation SB678	HCHSHSB678PJ	
HUH	Adult Probation AB109	HCHSHSB109PJ	370,850
HUH	Prop 63	HMHMPROP63 PMHS63-1605	328,110
HUH	Prop 63/AAIMS Program	HMHMPROP63 PMHS63-1513	
HUH		HCHSHS8678PJ	30,450
HUH		HCHVHSVCSGR HCA062/14	15,000
HUH		HCHVHSVCSGR HCA062/14	70,879
SFGH	Medical Respite	HCHAPMEDRESP (GF)	118,024
SFGH	Medical Respite	HCHSHHOUSGGF	46,663
SFGH	EDCM Adrian Hotel	HGH1HAD40001	146,160
<b>Sub HUH Total:</b>			<b>3,896,833</b>
<b>G. Total:</b>			<b>16,081,097</b>

## APPENDIX L

### ASSET MANAGEMENT AND REPORTING REQUIREMENTS

In 2016, the San Francisco Board of Supervisors approved a resolution that authorized the subordination of two existing Seismic and Safety Loan Program loans, secured in part by real property commonly known as 890 Hayes Street and 214 Haight Street, to a new loan from the Nonprofit Finance Fund to HealthRIGHT 360 in the amount of \$8,500,000 for the construction of HealthRIGHT 360's new headquarters and clinic located at 1563 Mission Street. In consideration of the City and County of San Francisco having subordinated its Deeds of Trust on 890 Hayes Street and 214 Haight Street to the Nonprofit Finance Fund, HealthRIGHT 360 hereby agrees as follows:


So long as the Nonprofit Finance Funds Deeds of Trust remain on the 214 Haight and the 890 Hayes Street Properties (the "Effective Period"), HealthRIGHT 360 agrees as follows:

1. HealthRIGHT 360 shall provide quarterly financial statements for the entirety of HealthRIGHT 360 within sixty (60) days of the period's end for the calendar quarters ending September 30, December 31, March 31, and June 30 to the San Francisco Department of Public Health, Chief Financial Officer located at 101 Grove, Room 308, San Francisco, CA 94110.
2. HealthRIGHT 360 shall provide notice to the San Francisco Department of Public Health ("SFPDH") of any proposed merger negotiations in a timely manner. A timely manner shall mean that HealthRIGHT 360 will notify SFPDH with regard to potential mergers by informing SFPDH within three business days of the execution any documents regarding an intent to enter into merger negotiations or an intent to merge.
3. HealthRIGHT 360 shall obtain prior consent from SFPDH before filing any merger agreement with the California Secretary of State or any other Secretary of State, and such consent shall be timely, shall be considered in good faith, and shall not be unreasonably withheld by SFPDH. SFPDH's shall respond within 30 days from the date that HealthRIGHT 360 provides a merger plan to SFPDH. If the response from SFPDH exceeds 30 days, HealthRIGHT 360 shall provide notice to SFPDH that its response is overdue and provide SFPDH with an additional ten days to respond. If SFPDH continues to fail to respond this will be considered implied approval and HealthRIGHT 360 shall proceed with the merger.
4. HealthRIGHT 360 shall not place any additional deeds of trust on 890 Hayes Street and 214 Haight Street without the prior written approval of the Mayor's Office of Housing and Community Development ("MOHCD").
5. Health RIGHT 360 shall maintain compliance with updated MOHCD asset management requirements including, without limitation, maintaining capital reserves and required property insurance.



6. HealthRIGHT 360 agrees the failure to comply with any provision of this Appendix L shall be a material breach of this Agreement.

APPROVED:



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Vitka Eisen, MSW, EdD  
President & CEO  
HealthRIGHT 360

Date: 5/5/2016