

# San Francisco Department of Public Health Division of Behavioral Health Services

## **HealthRight 360** (Fiscal Intermediary-Check-writing) Contract Amendment – June 30, 2023, through December 31, 2025

Government Audit and Oversight Committee Meeting June 2, 2023

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# Why Does DPH Require a Check-writing Contract?

Funding Category	FY22-23 Funding	Explanation
<b>Residential Care Facilities</b>	\$19,637,506	BHS funds approximately 418 beds in RCF/RCFE locations which provide board and care (food), and depending, additional services. Payments typically to small, home-like operations that are owner-occupied licensed facilities unable to contract with the City, but who are willing to enter into a Memorandum of Agreement ("MOA") as well as out-of-county facilities, as necessary. Funds used for a daily per diem for each client or bed utilized by the DPH clients.
<b>Stabilization/ Emergency Hotels</b>	\$917,923	Payment to several dozen providers within San Francisco to purchase primarily SRO rooms, on demand. Many of these providers are small hotel operations who are unable to contract with the City and County of San Francisco but who are willing to enter into a Memorandum of Agreement ("MOA") regarding placement of clients at their buildings
<b>MHSA Workforce Training/Planning</b>	\$609,779	Details vary depending on training need, but training in best practices by subject matter experts, as well as for peer trainees and related expenses
<b>Client Expenses/ Wrap-Around</b>	\$576,572	Expenses to assist in a client's stabilization efforts, such as for emergency need, food, transportation, clothing, etc.
<b>Managed Care</b>	\$460,754	The SF Mental Health Plan (SFMHP) is responsible for all Medi-Cal services for its beneficiaries that may include emergency hospital care, or therapy. BHS utilizes non-contract providers to serve SFMHP members, e.g., who reside in other California counties, primarily for emergency or urgent care needs.
<b>Total</b>	<b>\$22,202,534</b>	



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Under the proposed amendment, **HealthRight 360 (HR360)** would continue to provide

## **Fiscal Intermediary Check-writing Services**

- HR 360 provides check-writing services primarily for the DPH-Behavioral Health Services
- HR 360 makes upfront payments to service providers or other entities that do not have a contract with the City, based on receipts and authorized reimbursement requests.
  - HR 360 submits monthly invoices to DPH for reimbursement for those payments.
  - HR 360 is reimbursed on a per-check basis with the balance of funding paid for the direct services.
- This service is needed for providers/entities that are not contracted with DPH and hence are not considered “vendors” in the City’s financial system.
  - Many lack the capacity, or willingness to enter into a City contract, or the payments are one-time in nature.

	FY22-23 Budget
<b>Direct Expenses</b>	\$22.1 million
<b>HR360 Check-writing Reimbursement</b>	~\$35,000 1,500 projected checks x \$22 per check

# Payment Authorization, Reconciliation and Checks and Balances

**All Residential Care Facilities (RCF) sign a Memorandum of Understanding.**

**Checks and balances include:**

- Client names are entered into a database (Get-Care) by DPH, which becomes the source for the invoice generated by HR 360 to pay the RCF. The client names and bed days are confirmed by DPH Program staff before payment to the RCF, and again by DPH Budget staff prior to reimbursement to HR 360.
- All other expenses, including emergency/stabilization housing, out-of-county services, require authorization, signed supervisor approval, and copies of receipts or proof of expense, without which, payments will not be issued.



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## Proposed Resolution

**DPH agrees with BLA recommendation to approve Amendment No. 2 between HealthRight 360 and DPH.**



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# Thank You



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