

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Homelessness & Behavioral Health Select Committee 
FROM: Budget and Legislative Analyst
SUBJECT: April 28, 2023 Homelessness & Behavioral Health Select Committee Meeting

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Item 1 File 23-0343	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve Amendment No. 2 to the behavioral health services contract for adults, older adults, and transitional aged youth between the Department of Public Health (DPH) and Richmond Area Multi-Services, Inc. (RAMS), extending the term by four years through June 2027, and increasing the not-to-exceed amount by \$37,669,562, for a total not to exceed \$61,137,386. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • RAMS was the highest or second highest scoring proposer in two competitive solicitations issued by DPH for behavioral health service contracts in 2017 and 2019. In July 2018, DPH issued a contract to RAMS for a term of two years, from July 2018 through June 2020, and an amount not to exceed \$9,995,228. In March 2020, the Board of Supervisors approved Amendment No. 1 to the contract, extending the term by three years through June 2023, and increasing the not-to-exceed amount by \$13,472,596, for a total not to exceed \$23,467,824. • Under the contract, RAMS provides the following services: (1) Adult Outpatient Services Clinic; (2) Broderick Street Adult Residential; and (3) Asian and Pacific Islander Mental Health Collaborative (APIMHC). Between the three programs, RAMS annually serves approximately 866 unduplicated clients. FY 2020-21 program monitoring data for the RAMS contract indicated that two of the three active programs generally met contracted performance objectives, all met contracted units of service, and no corrective action plans were identified. FY 2021-22 fiscal monitoring identified no findings, and DPH has rated RAMS a “low risk” agency. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed Amendment No. 2 would increase the not-to-exceed amount of the contract by \$37,669,562, for a total not to exceed \$61,137,386. The contract includes a 12 percent contingency to account for escalation, new programs, and/or expansions of existing programs. • The total not-to-exceed amount of the contract is funded approximately 24 percent by federal funds, 28 percent by state funds, and 48 percent by the General Fund. <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

Between 2017 and 2019, the Department of Public Health issued several competitive solicitations for behavioral health service contracts, including:

1. Request for Proposals (RFP) 8-2017: Mental Health Outpatient Programs for Adult/Older Adult System of Care (issued August 2017); and
2. RFQ 20-2019: Mental Health/Substance Abuse Culturally Relevant Mental Health Promotion and early Intervention Services for Filipino, Samoan, and Southeast Asian Communities (issued July 2019).¹

Richmond Area Multi-Services, Inc. (RAMS) was the highest or second-highest scoring proposer in each solicitation and was awarded a contract for behavioral health services for adults, older adults, and transitional aged youth. In July 2018, DPH issued a contract to RAMS for a term of two years, from July 2018 through June 2020, and an amount not to exceed \$9,995,228. In March 2020, the Board of Supervisors approved Amendment No. 1 to the contract, extending the term by three years through June 2023, and increasing the not-to-exceed amount by \$13,472,596, for a total not to exceed \$23,467,824 (File 20-0164).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 2 to the behavioral health services contact for adults, older adults, and transitional aged youth between DPH and RAMS, extending the term by four years through June 2027, and increasing the not-to-exceed amount by \$37,669,562, for a total not to exceed \$61,137,386. The proposed resolution would also authorize DPH to enter into future immaterial amendments to the contract.

Under the contract, RAMS provides the following services:

1. Adult Outpatient Services Clinic: Outpatient mental health services for adults and older adults. Services include ongoing individual, counseling, psychiatric services, case management services, and as-needed crisis intervention and meetings with patients' friends and family. Special focus on serving the Asian and Pacific Islander American (APIA) and Russian-speaking communities, both immigrants and those born in the United States. Services are provided at the RAMS site at 3626 Balboa Avenue and serve 600 unduplicated clients per year.

¹ RFQ 20-2019 replaced a similar RFQ from 2013 that was used to procure services through December 2019.

2. Broderick Street Adult Residential: Residential, medical, and mental health services to stabilize adults with serious and persistent mental illness, including clients with co-occurring mental health and substance abuse disorders, with or without physical health needs. The program serves 33 adults per year at the Broderick Street Adult Residential care facility at 1421 Broderick Street. The facility is a permanent housing site with low turnover.
3. Asian & Pacific Islander Mental Health Collaborative (APIMHC): Lead agency in collaborative of non-profits focusing on the Filipino, Samoan, and Southeast Asian communities in the South of Market, Tenderloin, Bayview-Hunters Point, Potrero Hill, and Visitacion Valley neighborhoods. Services include outreach and engagement, screening and assessment, wellness promotion activities, and service linkages. RAMS is the lead agency of the APIMHC collaborative. Six partner organizations represent the Filipino, Samoan, and Southeast Asian (Cambodian, Laotian, and Vietnamese) communities. Planning activities take place at 4020 Balboa Avenue. Funding for this program is provided by State Mental Health Service Act monies designated to improve access via outreach, access and linkage for children, and reducing stigma and discrimination.

RAMS previously provided an Outpatient Peer Counseling Services program under this contract. Starting in FY 2022-23, the program was transferred to a separate RAMS behavioral health contract with DPH (File 22-1119) to consolidate under one RAMS contract all peer related services. According to Michelle Ruggels, DPH Business Office Director, the program would be removed from the scope of services of Amendment No. 2 after Board of Supervisors approval and prior to certification. RAMS also provided an Employee Development program in this contract through FY 2020-21, which was then transferred to a separate RAMS vocational contract to consolidate vocational services in one contract.

Between the three active programs, DPH estimates that RAMS annually serves approximately 866 unduplicated clients. The contract funds approximately 54.07 full-time equivalent (FTE) employees, including indirect administrative positions.

Fiscal and Performance Monitoring

DPH suspended scoring of contractors' performance due to the COVID-19 pandemic. Although not scored, FY 2020-21 program monitoring data for the RAMS contract indicated that two of the three active programs generally met contracted performance objectives, all met contracted units of service, and no corrective action plans were identified.² According to Director Ruggels, monitoring reports for FY 2021-22 are in progress but have not been completed. However, Director Ruggels reports that the annual Behavioral Health Services State Cost Report settlement for all Behavioral Health Services has been drafted for FY 2021-22, and that RAMS exceeded its budgeted units of service in its Adult Outpatient Services programming. Of the two remaining

² The Outpatient Peer Counseling Services program, which was part of the contract scope in FY 2020-21, only met 67 percent of contracted performance objectives and 0 percent of contracted units of service. However, no corrective action plans were identified because the program received maximum scores for two out of three performance measures and for the remaining performance objective, while the program provided 87 out of the 100 projected group sessions, they were not able to receive partial credit in the monitoring process due to the inflexible wording of the performance measure.

programs, Broderick Street Adult Residential and APIMHC, each is reimbursed based on actual cost, (versus on units of services delivered), however deliverables are reported. The FY 2021-22 Cost Report indicated that Broderick Street Adult Residential achieved 81 percent of its budgeted deliverables and APIMHC achieved 70 percent.

The Department of Children, Youth, and their Families (DCYF) reviewed RAMS' financial documents as part of the FY 2021-22 Citywide Fiscal and Compliance Monitoring process and identified no findings. DPH has rated RAMS a "low risk" agency.

FISCAL IMPACT

The proposed Amendment No. 2 would increase the not-to-exceed amount of the contract by \$37,669,562, for a total not to exceed \$61,137,386. The estimated annual sources and uses of funds by program for the proposed four-year contract extension are shown in Exhibit 1 below.

Exhibit 1: Estimated Sources and Uses of Funds

Sources	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
Federal Sources	\$1,598,446	\$1,598,446	\$1,598,446	\$1,598,446	\$6,393,784
State Sources	2,173,334	2,173,334	2,173,334	2,173,334	8,693,336
City General Fund	3,521,873	3,813,619	4,117,035	4,432,588	15,885,115
<i>Subtotal</i>	<i>\$7,293,653</i>	<i>\$7,585,399</i>	<i>\$7,888,815</i>	<i>\$8,204,368</i>	<i>\$30,972,235</i>
Contingency (12%)	875,238	910,248	946,658	984,524	3,716,668
Total Sources	\$8,168,891	\$8,495,647	\$8,835,473	\$9,188,892	\$34,688,903
Uses	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Total
Adult Outpatient Services Clinic	\$3,282,962	\$3,414,280	\$3,550,851	\$3,692,885	\$13,940,979
Broderick Street Residential ³	2,885,557	3,000,979	3,121,018	3,245,859	12,253,414
APIMHC	1,125,134	1,170,140	1,216,945	1,265,623	4,777,843
<i>Subtotal</i>	<i>\$7,293,653</i>	<i>\$7,585,399</i>	<i>\$7,888,815</i>	<i>\$8,204,368</i>	<i>\$30,972,235</i>
Contingency (12%)	875,238	910,248	946,658	984,524	3,716,668
Total Uses	\$8,168,891	\$8,495,647	\$8,835,473	\$9,188,892	\$34,688,903
Actual Expenditures (through FY 2022-23) ⁴					26,448,481
Total Not-to-Exceed					\$61,137,386

Source: Proposed contract amendment, DPH

Note: Program costs are based on supplemental information provided by DPH and differ from Appendix B in the proposed agreement in the legislative file.

The contract includes a 12 percent contingency to account for escalation, new programs, and/or expansions of existing programs. The not-to-exceed amount also includes an annual cost of doing business payment that is allocated to the Adult Outpatient Services Clinic and Broderick Street Residential programs in FY 2022-23, but may be allocated differently in future contract years. The cost of doing business payment increases the contract amount by four percent annually.

³ The Broderick Street Residential program is also supported by patient fees that are paid directly to RAMS and therefore do not increase the contract amount.

⁴ This amount includes actual expenditures of \$18,216,711 through FY 2021-22 and projected expenditures (including a contingency) of \$8,231,770 in FY 2022-23.

The total not-to-exceed amount of the contract is funded approximately 24 percent by federal funds, 28 percent by state funds, and 48 percent by the General Fund.

RECOMMENDATION

Approve the proposed resolution.