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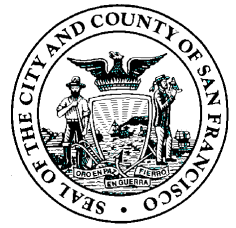
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Commissioner

**Judy Guggenime**  
Commissioner

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**HEALTH COMMISSION  
CITY AND COUNTY OF SAN  
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**MINUTES**

**HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE MEETING**

**Monday May 4, 2026 2:00 p.m.**

**1 Dr. Carlton B. Goodlett Place, City Hall, Room 408  
San Francisco, CA 94102 & via Webex**

**1) Call to Order**

Present: Commissioner Edward Chow, MD, Chair  
Commissioner Suzanne Girauo, E.D.

Excused: Commissioner Tessie Guillermo, Member

The meeting was called to order at 2:02pm.

**2) APPROVAL OF THE MINUTES OF THE HEALTH COMMISSION FINANCE AND PLANNING COMMITTEE OF APRIL 6, 2026**

**Public Comment:**

There was no public comment on this item.

**Commissioner Comments:**

There were no Commissioner comments.

**Action Taken:** The committee unanimously approved the meeting minutes.

**3) UPDATED PROCEDURES FOR APPROVAL OF SF ADMINISTRATIVE CODE, CHAPTER 21.42**

Michelle Ruggels, Director DPH Business Office, explained that the department was updating its procedures for using sole-source authority under Administrative Code Chapter 21.42 and Section 21G.8 to create a standardized and more transparent process. She noted that both sections give the Health Commission specific authority to approve certain sole-source agreements, and the revised procedures now consolidate these into one clear framework. Ruggels emphasized that the changes were prompted in part by guidance from the City Attorney, who advised aligning procedures with citywide contracting requirements. She clarified that Chapter 21.42 is used primarily for bridge periods when a solicitation has ended but a new RFP is pending, while 21G.8

applies to grant agreements when no alternative vendor exists. The updated process separates the approval of sole-source authority from the approval of the underlying contract so commissioners can more easily see when and why sole-source authority is used. She added that although the commission may continue to see contract approval and sole-source resolutions together on the same agenda, the procedural distinction will now be explicit. Ruggles explained that staff will provide background demonstrating compliance with the legal criteria before recommending sole-source approval. She concluded by noting that the new process enhances efficiency while maintaining clear oversight of when DPH uses its sole-source contracting authority.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

Commissioner Girardo asked for clarification on how the new procedure differs from prior practice, noting that the Commission previously approved large batches of sole-source items at once. She also asked how new and renewed contracts fit into the administrative-code distinctions. Michelle Ruggles, Director, DPH Business Office, explained that the City Attorney required procedural updates to provide clarity and transparency; Chapter 21.42 applies to bridge contracts pending solicitation, while Section 21.8 applies to grant agreements with no alternative provider.

Commissioner Chow agreed that approving sole-source authority in connection with contract context was more useful and asked whether resolutions should continue being paired with contract items on the same agenda. He noted that it is helpful to the commissioners to first discuss and understand the contract before considering the resolution. Ms. Ruggles confirmed that staff can continue pairing resolutions with contract items and will work on agenda sequencing to ensure clarity.

4) **Requesting recommendation to Health Commission for approval of Resolution Approving the Justification and Recommendation by Director of Health to designate as a sole source contract under Admin. Code Sec. 21.42, contract with Young Men’s Christian Association of San Francisco CID 1000033281 for Intensive Supervision and Clinical Services (ISCS) in the total amount with contingency of \$1,060,122, for the term 7/1/24, through 6/30/27 (three years).**

Michelle Ruggles, Director, DPH Business Office, and Farahnaz Farahmand, Director, DPH Behavioral Health Services, Children, Youth & Families System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

There were no Commissioner comments.

Action Taken: The committee unanimously approved the resolution.

5) **Requesting recommendation to Health Commission for approval of Resolution Approving the Justification and Recommendation by Director of Health to designate as a sole source contract under Admin. Code Sec. 21.42, contract with Instituto Familiar de la Raza CID 1000022465 for Intensive Supervision and Clinical Services and SPARK Full Service Partnership in the total amount with contingency of \$4,437,959, for the term 7/1/24, through 6/30/27 (three years).**

Michelle Ruggles, Director, DPH Business Office, and Farahnaz Farahmand, Director, DPH Behavioral Health Services, Children, Youth & Families System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

There were no Commissioner comments.

Action Taken: The committee unanimously approved the resolution.

- 6) **Requesting recommendation to Health Commission for approval of Resolution Approving the Justification and Recommendation by Director of Health to designate as a sole source contract under Admin. Code Sec. 21.42, contract with Community Youth Center of San Francisco CID 1000032804, for Intensive Supervision and Clinical Services (ISCS) and TAY Engagement & Treatment in the total amount with contingency of \$1,765,034, for the term 7/1/24, through 6/30/27 (three years).**

Michelle Ruggels, Director, DPH Business Office, and Farahnaz Farahmand, Director, DPH Behavioral Health Services, Children, Youth & Families System of Care & Kali Cheung, DPH Behavioral Health Services Transitional Age Youth System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

There were no Commissioner comments.

Action Taken: The committee unanimously approved the resolution.

- 7) **Requesting recommendation to Health Commission for approval of Resolution Approving the Justification and Recommendation by Director of Health to designate as a sole source contract under Admin. Code Sec. 21.42, contract with Homeless Children's Network CID 1000032808 for the Ma'at and Prevention Early Intervention (PEI) programs in the total amount with contingency of \$11,786,969, for the term 10/1/24, through 6/30/27 (Two years and 9 months).**

Michelle Ruggels, Director, DPH Business Office, and Farahnaz Farahmand, Director, DPH Behavioral Health Services, Children, Youth & Families System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

There were no Commissioner comments.

Action Taken: The committee unanimously approved the resolution.

## 7) MAY 2026 MONTHLY CONTRACTS REPORT

Philip Mach, Manager of CBO Contracting, presented the item.

### Public Comment:

There was no public comment on this item.

### Commissioner Comments:

#### Medline Industry Contracts

Commissioner Chow complimented staff on providing comprehensive responses on short notice and asked whether the two Medline contracts, which had been separated, might be recombined in the future. He emphasized that contract consolidation would improve clarity and administrative efficiency. Mr. Mach stated that staff were working with the Controller's Office to combine the Medline contracts prior to 2030.

#### YMCA Contract

Commissioner Girardo thanked staff for the quick turnaround of information and asked whether the YMCA program, which met 34% of its performance objectives, had a plan to address low performance. She sought clarity about the small sample size and whether performance measures were being updated. Mr. Mach explained that the 34% figure was due to a low sample size created by the transition from Avatar to the EPIC record system and noted that updated objectives are being implemented.

Commissioner Chow asked whether the performance metrics would be corrected for the next year and whether the same issues would continue. Mr. Mach clarified that EPIC resolves many of the timing-related metric issues and that future performance measurement will reflect more accurate data.

Commissioner Girardo asked how the "right sizing" of referrals related to changes in utilization and whether increased UDC targets explained contract adjustments. Mr. Mach stated that "right sizing" reflected declines in juvenile-hall referrals due to statewide juvenile justice reform and that funds were shifted to outpatient programs with higher engagement.

Commissioner Girardo further asked whether right sizing would continue under the new RFP and how future rate adjustments would be determined. Mr. Mach said that supplemental rates would decline as planned under payment reform and that next year's rates would be adjusted in consultation with Revenue Integrity.

#### CYC Contract

Commissioner Chow asked how youth are selected for each program and whether the CYC contract served the same population as YMCA. He sought clarity on distinctions between providers. Mr. Mach explained that three ISCS providers exist (CYC, IFR, YMCA), each with cultural specialization, and that juvenile-hall youth are assigned based on need and specialization.

Commissioner Girardo asked for clarification regarding census numbers, noting that CYC's 15 contracted slots appeared small and wondering whether these clients were unique compared to YMCA and IFR. Mr. Mach confirmed that clients across the three contracts are unique and that only a subset of youth leaving juvenile hall require the specialty mental-health services contracted.

Commissioner Girardo asked whether the RFP would consolidate the three ISCS providers into a smaller number given the low census across providers. Mr. Mach stated that the department is evaluating consolidation options and cultural-competency needs in partnership with Juvenile Probation.

Commissioner Chow requested that future contract reports present all juvenile-justice contracts contextually so commissioners can see how wraparound services, ISCS, MST, and other programs fit together. Mr. Mach agreed and stated that staff would present all justice-involved youth programs together in future reports.

#### Homeless Children's Network (HCN) Contract

Commissioner Girardo requested evaluation reports to better understand service patterns, especially in light of past discussions about juvenile-hall closures and community alternatives. Mr. Mach stated evaluation documents exist specifically for the HCN contract and will be provided.

#### RAMS / Street Health Team Contract

Commissioner Girardo noted that the monitoring report indicated significant staff turnover and asked what caused it and whether turnover would continue. She expressed concern that turnover was affecting deliverables. Dr. Joanna Eveland, Medical Officer, Whole Person Integrated Care, stated that peer roles are entry-level positions where staff often transition into civil service jobs, and that RAMS strengthened recruitment following the last monitoring review.

Commissioner Girardo asked whether improved recruitment efforts will stabilize staffing and prevent recurring deliverable impacts. Dr. Eveland and Allison Horky, Street Team Manager, noted recruitment improvements and stated the program is currently fully staffed, and deliverables are on track.

Commissioner Chow asked why the contract included large allocations from San Francisco Health Plan and Anthem, and whether that funding would continue beyond the initial period. Dr. Eveland explained that funding originated from CalAIM HHP/ECM startup dollars due to the effectiveness of peer models, but noted that these funds were time-limited and would not continue. Ms. Ruggells responded that when the health-plan funds end, they will be backfilled with Proposition C dollars.

Commissioner Chow asked for confirmation that historical changes in the Street Health contracts, including multiple consolidations, were documented because reviewing the evolution is difficult. Dr. Eveland affirmed that the department has documented the restructuring and will provide additional historical context.

Commissioner Girardo requested more detailed service-type breakdowns for RAMS, especially given the large number of unduplicated clients across services. Juan Ibarra, Program Manager, BHSA, provided breakdowns for behavioral-health referrals, housing problem-solving, and housing placements over the most recent reporting period.

#### Hospitality House Contract

Commissioner Girardo noted that some client-satisfaction metrics were missing and asked whether results could be provided. She also requested detail on which services had the highest usage among the many offered. Mr. Ibarra provided detailed counts of behavioral-health referrals, housing referrals, and housing placements for the most recent reporting period.

Action Taken: The committee voted unanimously to recommend that the full Commission approve the report.

- 8) **Request for approval of a New Professional Services Agreement, with Antioch Management LLC dba Country Place ALF to provide Adult Residential Care Facility (ARF) services. The total proposed agreement amount is \$7,452,553 which includes a 12% contingency for the term of July 1, 2026 through June 30, 2029 (3 years).**

Armando Chávez Vallín, Operations Director, Residential System of Care, presented the item. He explained that five residential providers were being transitioned out of the HR360 check-writing system and into standalone contracts because their annual budgets had grown above \$1 million. He clarified that this change did not alter services but instead shifted the contracting mechanism to strengthen oversight and streamline payment

processing. Armando described the types of facilities involved—two skilled nursing facilities and three residential care facilities—and outlined how DPH measures success through client stabilization, step-down opportunities, and reduced hospitalizations. He also noted that the department is evaluating whether BOCC should take on annual monitoring and may develop a modified template reflecting performance, compliance, deliverables, and client satisfaction.

(This introduction and the comments below are relevant to items 8, 9, 10, 11, and 12.)

Public Comment:

There was no public comment on this item.

Commissioner Comments:

Commissioner Giraudo said she had several questions about how clients become eligible for placement into the SNFs and RCFEs. She asked whether these clients were already within the DPH system of care and whether services were fully funded by the department rather than Medi-Cal. She also asked where clients remain during the waiting period for placement. Mr. Aim, explained that referrals arrive from hospitals, jails, and other sources, and the DPH Utilization Management team determines eligibility. He confirmed that most clients are fully county-funded and may remain in hospitals, jail, or other temporary facilities until a bed is available.

Commissioner Chow asked whether the department had more units beyond the five transitioning contracts and how many MOUs and beds existed in total. He emphasized that having this information would provide needed context for future decisions. Mr. Aim said the department contracts with about 50 providers overall and would provide the specific bed count in writing.

Commissioner Giraudo asked whether all individuals placed in these residential settings are San Francisco residents and whether income eligibility criteria apply. She noted that understanding eligibility helps clarify how these programs function as a safety-net service. Perrie Ancheta, Program Manager, Residential System of Care, confirmed that clients must be San Francisco residents with SF Medi-Cal and that most are SSI recipients.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

- 9) **Request for approval of a New Professional Services Agreement, with Modesto Residential Living Center, LLC to provide Adult Residential Care Facility (ARF) services. The total proposed agreement amount is \$8,318,991 which includes a 12% contingency for the term of July 1, 2026 through June 30, 2031 (5 years).**

Armando Chávez Vallín, Operations Director, Residential System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

See item 8 for Commissioner questions related to items 8-12.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

- 10) **Request for approval of a New Professional Services Agreement, with Skypark Manor LLC to provide Adult Residential Care Facility (ARF) services. The total proposed agreement amount is \$6,245,411 which includes a 12% contingency for the term of July 1, 2026 through June 30, 2031 (5 years).**

Armando Chávez Vallín, Operations Director, Residential System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

See item 8 for Commissioner questions related to items 8-12.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

- 11) **Request for approval of a New Professional Services Agreement, with Medical Hill Healthcare Center to provide Skilled Nursing Facility (SNF) services. The total proposed agreement amount is \$8,500,602 which includes a 12% contingency for the term of July 1, 2026 through June 30, 2031 (5 years).**

Armando Chávez Vallín, Operations Director, Residential System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

See item 8 for Commissioner questions related to items 8-12.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

- 12) **Request for approval of a New Professional Services Agreement, with Tanzanite Holding LLC dba Eden Healthcare to provide Skilled Nursing Facility services. The total proposed agreement amount is \$9,611,007 which includes a 12% contingency for the term of July 1, 2026 through June 30, 2031 (5 years).**

Armando Chávez Vallín, Operations Director, Residential System of Care, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

See item 8 for Commissioner questions related to items 8-12.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

- 13) **Request for approval of a New Grant Agreement with San Francisco AIDS Foundation to perform Connection to Treatment Through Syringe Access and Disposal. The total proposed agreement amount is \$8,587,476 which includes a 12% contingency for the term of July 1, 2026 through December 31, 2027 (1 year and 6 months).**

Rob Hoffman, BHS System of Care Program Manager, presented the item.

Public Comment:

There was no public comment on this item.

Commissioner Comments:

Commissioner Giraudo asked why the department was requesting approval for only an 18-month contract term after a previous 10-year term. She also asked whether subcontractors already had experience delivering services and whether they required new training. Finally, she inquired whether the plan of action resulting from the prior monitoring report had been effective. Mr. Hoffman explained that the short initial term reflects budget and structural changes but will be followed by a longer request; subcontractors (Glide, HYA, HRTC) already provide services and do not require extensive onboarding. He also said that corrective actions on UOS reporting and staff trainings have been implemented and current reporting is on track.

Commissioner Chow asked whether required reports under the new syringe-safety and treatment-connection policy were available and whether commissioners could review early results. He said these reports would help clarify program impact and alignment with city treatment-engagement goals. Mr. Hoffman said data are being collected, capacity has been built over the past year, and reports can be shared with the Commission.

Action Taken: The committee unanimously recommended that the full Health Commission approve the contract.

**14) EMERGING ISSUES**

This item was not discussed.

**15) PUBLIC COMMENT**

There was no public comment.

**16) ADJOURNMENT**

The meeting was adjourned at 2:41pm.