



City and County of San Francisco
London Breed, Mayor

Department of Public Health
Michelle Ruggels
Director of DPH Business Office

MEMORANDUM

December 4, 2020

TO: DPH Non-Profit Contractors

FROM: Michelle Ruggels *MR*

RE: **FY20-21 Contract Expectations for Service Delivery Levels Under COVID**

The following memo is to explain DPH's response to the expiration of the City's Continuity of Payment Policy in FY20-21.

Expiration 9/30/20: Continuity of Payment for Nonprofit Suppliers in the Event of COVID-19 Related Disruptions

As you likely know, to respond to the impact of COVID-19 on the City's non-profit contractors, the Mayor and the Controller issued the Continuity of Payment guidance for the period from 3/1/20 through 9/30/20. Specifically, this policy provided guidance and allowed non-profit, community-based organizations (CBOs) contracting with City departments to submit invoices based on actual costs, even if unsupported by the level of units of services delivered. This policy was particularly applicable to contractors that submit monthly Fee-For-Service invoices with reimbursement based on the level of reported Units of Services (UOS)/Deliverables x the unit rate. This policy addressed the need to support ongoing monthly costs not supported by a declining rate of deliverables, as a result of COVID-19. This expired policy and its last update on 8/6/20 may be found at this link: www.sfcontroller.org/announcements.

Department of Public Health Procedure in FY20-21

In recognizing that service delivery hasn't bounced back as of October 1, 2020 to pre-COVID levels, but that all ongoing services continue to be critical, the Department is extending an option for contractors reimbursed based on fee-for-service reimbursement to reduce the FY19-20 budgeted Units of Service levels by up to 25 percent. By formula, a reduction in deliverables will increase the unit rate, and enable contractors to achieve funding closer to actual cost. If your agency is reimbursed using cost reimbursement invoices, then budgeted deliverables should remain the same, however, invoice payment won't be delayed due to under-production of deliverables.

- At this time, the Department is not intending to switch existing fee-for-service invoice templates to cost reimbursement invoice templates across the board. Some exceptions may be applied.
- Regardless of final UOS productivity, payment is capped at the FY20-21 contract value, reflected in the FY20-21 Funding Notification and/or contract. In other words, the total annual contract funding will not increase. The subject change is only to budgeted units of service and the corresponding unit rate adjustment to help ensure that agencies are better able to cover monthly costs.

Exclusions

This policy change does not apply to providers of Methadone services. Other exclusions may be dictated by a particular funding source, e.g. a grant, or other considerations, and you will be contacted by DPH.

Exceptions

Undoubtedly, there are going to be unique circumstances, where the Department's protocol requires additional consideration. Exceptions will be addressed in the following two ways: (1) the Department will review exception requests and, wherever possible, identify an alternative solution without further approval required, and/or (2) If the Department is unable to identify a solution that includes ongoing service delivery, the request will be forwarded for Controller's Office and Mayoral consideration and approval (Effective September 30, 2020, departments may request extensions of the Citywide Continuity of Payment policy on a contract-by-contract basis).

If you have a contract circumstance that you would like to have considered or discussed further, please submit a Contract Change Request form (CCR), (found on the Contract Development & Technical Assistance (CDTA) website (<https://www.sfdph.org/dph/files/CDTA/Contract-Change-Request-ML-Appr-7-27-18-Locked-Text.docx>)), to your CDTA Program Manager or, if you don't have one, to your DPH System of Care/Program representative. We will gladly work with you to seek a solution.

At this time, an outstanding question that you may have is how to reflect deliverables for staff that have been deployed to COVID-19 roles, and therefore won't be contributing to your program's service delivery targets. Each of these situations will be different, so please complete the form above, and we will contact you to problem-solve to a solution.

Finally, as this memo has been delayed, it may be that you have already submitted your updated FY20-21 appendices. Please contact the same individuals noted above, should you want to discuss implications or a resubmission of your appendices. While there are certainly many caveats to consider, to avoid further delay, please accept this as a framework and know that we are ready to help.

cc. DPH Business Office staff
DPH System of Care Directors
DPH Finance staff