Performance Audit of
Senior Services in San Francisco

Prepared for the

Board of Supervisors
of the City and County of San Francisco

by the

San Francisco Budget and Legislative Analyst

July 13, 2016

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BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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July 13, 2016

Supervisor Aaron Peskin, Chair, Government Audit and Oversight Committee
and Members of the San Francisco Board of Supervisors
Room 244, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Supervisor Peskin and Members of the Board of Supervisors:

The Budget and Legislative Analyst is pleased to submit this *Performance Audit of Senior Services in San Francisco.* In response to a motion adopted by the Board of Supervisors on September 15, 2015 (Motion No. M15-135), the Budget and Legislative Analyst conducted this performance audit, pursuant to the Board of Supervisors powers of inquiry as defined in Charter Section 16.114 and in accordance with U.S. Government Accountability Office (GAO) standards, as detailed in the Introduction to the report.

The purpose of the performance audit was to evaluate the City's provisions of services to seniors, including funding sources, coordination and duplication of services, and monitoring of performance and outcomes.

The performance audit contains five findings and 16 recommendations directed primarily to the Executive Director of the Department of Aging and Adult Services (DAAS). The Executive Summary, which follows this transmittal letter, summarizes the Budget and Legislative Analyst's findings and recommendations.

The Department of Aging and Adult Services and the Human Services Agency have provided a joint written response to our performance audit, responding to the report's recommendations, which is attached to this report, beginning on page 52. The departments are in agreement with our recommendations.

We would like to thank the Executive Director of DAAS and her staff for their cooperation during this performance audit.

Respectfully submitted,

Severin Campbell, Director
Budget and Legislative Analyst's Office

cc: President Breed
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Farrell
Supervisor Kim
Supervisor Mar
Supervisor Peskin
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Supervisor Wiener
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Executive Director, DAAS
Executive Director, HSA

Executive Summary

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of the City's services to seniors through a motion (M15-135) passed on September 15, 2015. The performance audit evaluated the City departments' provisions of services to seniors, including funding sources, coordination and duplication of services, and monitoring of performance and outcomes.

I. Service Gap Analysis

The Department of Aging and Adult Services (DAAS) is required to complete a Needs Assessment and Area Plan every four years in compliance with federal and state requirements. While DAAS worked to improve the Needs Assessment document following a review by the Controller's Office in 2005, this document still does not contain a Gap Analysis. The purpose of a service Gap Analysis is to estimate the unmet need for a particular service, which is the gap between the number of individuals currently receiving services, and the total population that might benefit from, or be eligible for, a particular service. Without a Gap Analysis, the department lacks critical information when making decisions as to where it might best allocate existing service resources and what additional level of resources to request.

Recommendation: The DAAS Director should work with the HSA Director of Administration to identify sufficient planning and analytical resources to enable a summary gap analysis for each service area included in future Needs Assessments.

Recommendation: The DAAS Director should identify opportunities to use existing data resources, including SF GetCare, more effectively to centralize and manage the waitlist information.

Recommendation: DAAS should work with the HSA Director of Administration to identify sufficient resources to increase the amount of community outreach that it conducts while creating the Needs Assessment document. At least one community forum should be held in each of the 11 supervisorial districts, which would increase the total number of individuals participating by approximately 400.

Recommendation: The DAAS Director should incorporate the improved needs assessment, as recommended in 1.1, to prioritize the service areas and allocate funding.

II. Contract Awarding

The process used by the Department of Aging and Adult Services (DAAS) to allocate funding to senior services contractors is unclear and should be made more transparent. The Department currently uses two tools to determine funding awards: RFP scores and its "Guiding Principles of Funding Allocation." However, there is no written policy indicating how DAAS uses the RFP scores to award funding, or how the Guiding Principles are prioritized and weighted. For example, the Guiding Principles indicate that cost per unit will be evaluated during proposal review, but a review of recent RFP awards shows wide variation in the cost per unit of service, suggesting otherwise. Contract awarding is further complicated by the inefficiency of the add-back process. Over the past two fiscal years, a significant percentage of funding for critical senior services, such as nutrition, has been allocated during the budget add-back process, rather than during the normal budget cycle, making it difficult for service providers to plan for the level of services that they will be contracted to provide.

Recommendation: For each NOFA or RFP, all criteria used to evaluate the proposals should be listed and assigned a quantitative weight for scoring. If additional factors are considered in the review, DAAS should document how those factors impacted the final funding decision.

Recommendation: The DAAS Director should evaluate the potential efficiency gains from limiting the number of contractors, and evaluating cost per unit.

Recommendation: The Mayor's Director of Public Policy and Finance should work with DAAS in preparation of the annual budget to ensure that program priorities are reflected in the annual budget, rather than supplemented through the add-back process.

III. Contract Monitoring

Because the Office on Aging manages the majority of service provider contracts for DAAS, the office needs to ensure that program analysts are consistently assessing contractor performance. Eight contracts, or 31 percent of 26 contracts, reviewed by the Budget and Legislative Analyst did not show that the analyst had performed a contract assessment. Nor are individual contract assessments consistent: for example, while the contract assessment typically results in either a letter of compliance (noting findings) or a request for a correction plan, it is unclear what performance thresholds are used to determine compliance or need for correction. In order to ensure that contractors provide the quality and quantity of services specified in their contracts, DAAS needs to formalize contract

assessment/monitoring polices, provide sufficient training to staff analysts, and set performance goals for staff analysts.

Recommendation: The DAAS Director should ensure that the OOA Manager develops a written contract monitoring manual that sets the standard for annual contract assessment and follow up.

Recommendation: The DAAS Director should ensure that the OOA Manager develops training procedures and requirements, and implements an annual training calendar for ongoing tracking and monitoring.

Recommendation: The DAAS Director should specify in the contract monitoring manual noted in Recommendation 3.1 the expectation for staff members to meet contract monitoring schedules and include the meeting of the contract monitoring schedules in each staff member's annual performance evaluation.

Recommendation: The DAAS Director should develop a regular reporting tool for OOA staff to document and present program performance, including completion of contract monitoring, site visits, and status of contract performance findings.

Recommendation: To prepare to adopt and implement the Controller's recommendations for new performance measures, the DAAS Director should: (1) ensure that all staff, particularly at OOA, are trained in GetCare; and (2) assess technical assistance and training needed to ensure contractor compliance.

IV. Case Management

The City has conducted extensive strategic planning for senior services in recent years that has resulted in the adoption of a senior services model designed to reflect the national best practice of diversion from institution into the community. Case management, hospital-to-home transition, and on-going support services that allow seniors to age at home have been key components of this model. As federal and state funding for these programs has declined in recent years, the City has stepped forward to sustain them through the General Fund. Given the scarcity of resources, case management providers should be evaluated and monitored on the basis of the cost per client served and program performance to ensure consistent quality and maximum enrollment.

Recommendation**:** Before issuance of the next Case Management RFP, the HSA Contracting Unit and DAAS OOA Director and staff, should develop at least one cost measure to be included as a rating criteria for the RFP and include this measure in standard contract monitoring forms.
Recommendation**:** Before issuance of the next Case Management RFP, the DAAS director should work with staff to clarify how units of service are defined and how

enrollments are projected, so that future contracts can reflect reasonable goals to which contractors can be held accountable.

V. Nutrition Program Service Delivery

To support community living opportunities for seniors, and promote healthy outcomes, the Department of Aging and Adult Services (DAAS) provides nutrition services for seniors. The Department does not currently evaluate cost-per-unit when awarding contracts to nutrition providers, resulting in a wide variance in rates, and potentially reducing the number of clients served. In addition, the Department contracts with a large number of vendors for home-delivered meals, relative to the City's size, and provides insufficient congregate meals to meet the needs of seniors throughout the City's districts.

Recommendation: The DAAS director should review the cost effectiveness of the current contracts for home-delivered meals to determine whether opportunities exist to provide meals at a standard, lower unit cost.

Recommendation: The DAAS director should work with staff to determine ways to meet congregate meal needs across the City's districts, including the possible expansion of the CHAMPSS program.

Introduction

The Board of Supervisors directed the Budget and Legislative Analyst's Office to conduct a performance audit of the City's services to seniors through a motion (M15-135) passed on September 15, 2015.

Scope

The scope of this performance audit includes an evaluation of the City departments' provisions of services to seniors, including funding sources, coordination and duplication of services, and monitoring of performance and outcomes.

Methodology

The performance audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), 2011 Revision, issued by the Comptroller General of the United States, U.S. Government Accountability Office. In accordance with these requirements and standard performance audit practices, we performed the following performance audit procedures:

- Conducted interviews with executive, management and other staff at the Department of Aging and Adult Services (DAAS), the Department of Public Health, the Recreation and Park Department, the Mayor's Office of Housing and Community Development (MOHCD), and the San Francisco Municipal Transportation Agency (SFMTA).
- Reviewed planning documents and other reports and studies regarding senior services, including the Area Plan, DAAS Needs Assessments, Living with Dignity Strategic Plan, the Consolidated Plan, the Housing Element, the 10 Year Plan to Abolish Chronic Homeless, and various reports and audits from the San Francisco Controller's Office.
- Reviewed policies, procedures, memoranda, and other guidelines governing senior services programs, allocations, and contracting.
- Conducted reviews of (a) DAAS contract files; (b) DPH contract files; (c) DAAS Commission meeting agendas and minutes; (d) policies and procedures; (e) financial reports; and (h) other data pertinent to the audit objectives.
- Surveyed 10 jurisdictions to collect information regarding funding and contracting practices for senior services.
- Submitted a draft report, with findings and recommendations, to the Department of Aging and Adult Services on March 23, 2016; and

conducted an exit conference with the Department of Aging and Adult Services on May 11, 2016.

- Submitted the final draft report, incorporating comments and information provided in the exit conference, to the Director of the Department of Aging and Adult Services on June 29, 2016.

Legal Mandates

Funding for programs and services for seniors has been mandated by the federal and state government for decades. Beginning in 1965, the federal government established the **Older Americans Act** to provide funding for comprehensive services for the population aged 60 years and older.

Policies and regulations establishing care for seniors have continued to evolve from the basic provision of services to a model built on the belief in the importance of fostering independent living while preventing isolation.

More than 30 years after the passage of the Older Americans Act in 1999, the Supreme Court ruled in a decision commonly referred to as the **Olmstead Decision** that the unjustified segregation of people with disabilities constitutes discrimination and a violation of the Americans with Disabilities Act.

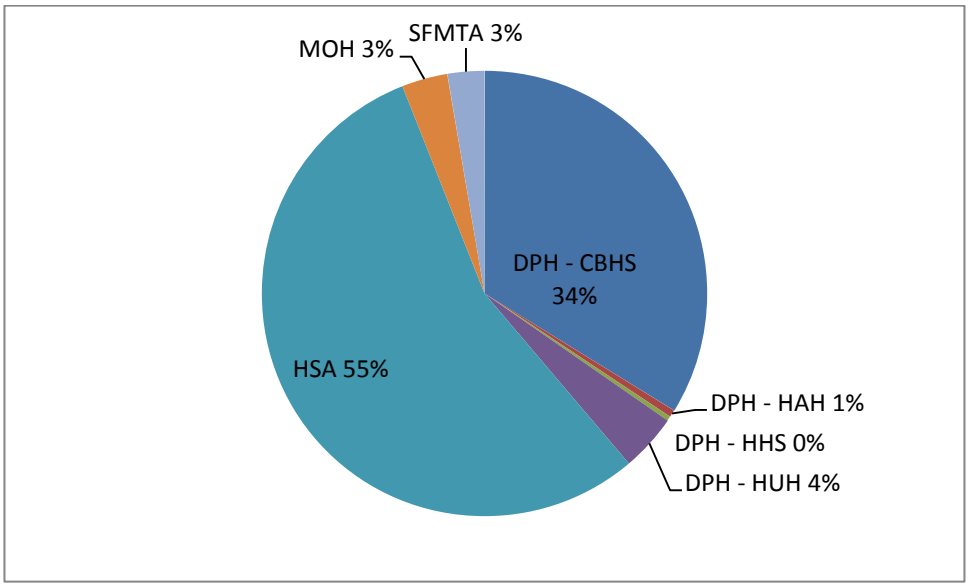
Locally, this trend toward supporting community living for seniors has been further adopted. The San Francisco **Long Term Care Coordinating Council** was established in 2004 to advise, implement and monitor community-based planning in San Francisco. In addition, two recent legal settlements (the **Davis Settlement** in 2003 and the **Chambers Settlement** in in 2007) have both reinforced the mandate on the City to ensure community-based living options to reduce institutionalization and promote independence for seniors and adults with disabilities.

Administration and Delivery of Senior Services

Senior services are administered in San Francisco by multiple departments. The agency with primary responsibility for the majority of senior programs is the Department of Aging and Adult Services (DAAS), a division of the Human Services Agency (HSA). The Department of Public Health (DPH) also provides significant funding and oversight over programs for seniors, particularly in Behavioral Health (DPH) services. Other services include housing (provided by the Mayor's Office of Housing and Community Development and DPH), transit (provided by SFMTA), and recreation (provided by the Recreation and Park Department).

Below is a breakdown of each department's share of total senior services funding.

Exhibit 1: Spending for Senior Services by Department[1]



Source: Controller's Office

With over 50 percent of all funding for senior services, DAAS plays a critical role in the administration, planning and oversight of senior care in San Francisco.

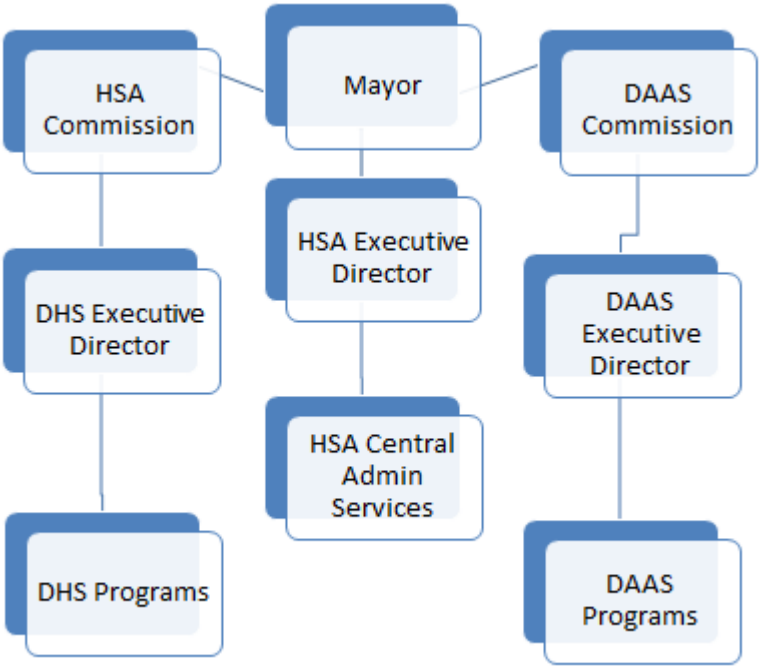
The Department of Aging and Adult Services

Over the past 15 years, the composition of DAAS has changed dramatically. In 2000, the former Commission on the Aging was renamed the Department of Aging and Adult Services to reflect its expanded role in managing programs serving both seniors and younger adults with disabilities. Several functions moved into the new department, including Adult Protective Services and the County Veteran's Office. Four years later, in 2004, In-Home Supportive Services (IHSS) also joined DAAS, creating a much-expanded department with nearly three times the budget.

Also in 2004, at the same time that the Long Term Care Coordinating Council was established, the Board of Supervisors approved the merger of the Department of Aging and Adult Services with the Department of Human Services to form the new Human Services Agency (HSA). According to HSA strategic planning documents, the purpose of the merger was to create administrative efficiencies and facilitate greater programmatic coordination. DAAS and DHS would continue to have separate directors, reporting to their respective Commissions, but the overall agency would be overseen by a single executive director. The organizational chart below details the management structure, as created by the 2004 merger.

[1] The DPH programs are Community and Behavioral Health Services (CBHS), Health at Home (HAH), HIV Health Services (HHS), and Housing Urban Health (HUH).

Exhibit 2: HSA Organizational Chart



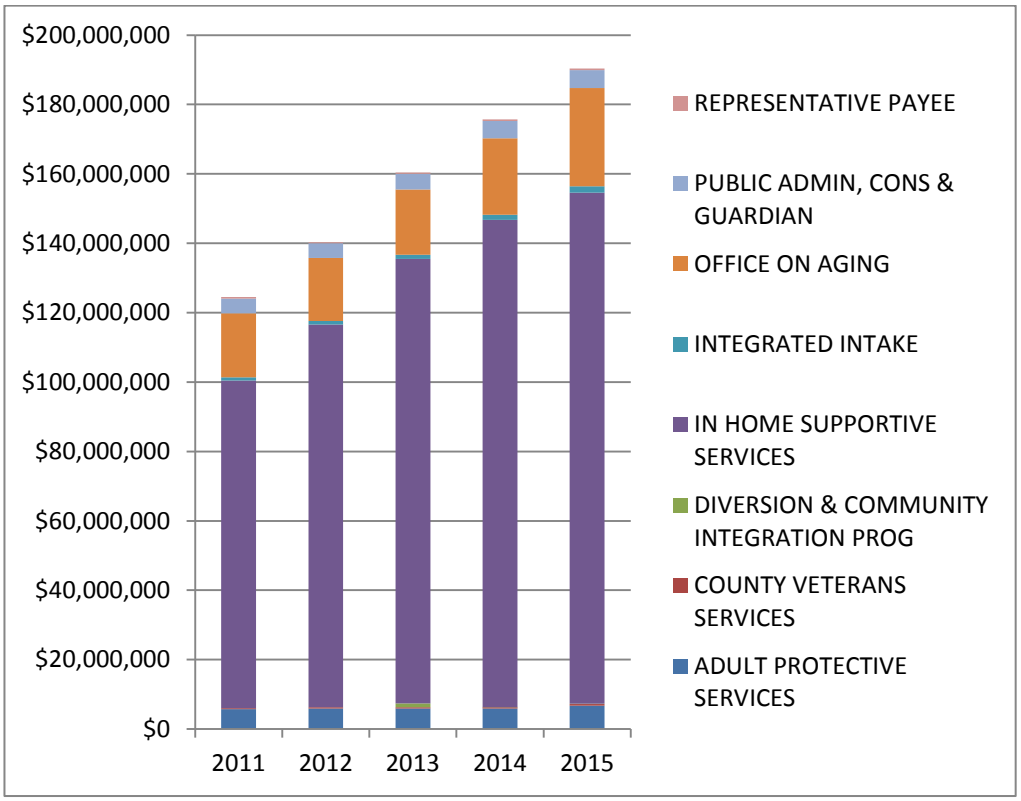
While the merger allowed DAAS in particular to benefit from the more robust administrative, planning and financial management capacity at DHS, the HSA 2008 Strategic Review notes that:

several informants [expressed] concerned that DAAS issues get lost in the larger Agency and are not seen as a citywide priority, and expressed a desire that SF-HSA be more aggressive in advocating at City Hall for the needs of seniors and adults with disabilities.

Summary of Spending

Since FY 2010-11, DAAS expenditures have grown by 52 percent from $126.7 million to $193.0 million. As shown in the chart below, the majority of that increase came from In-Home Supportive Services. However, the Office on Aging and Integrated Intake also experienced relative budget increases over that same time period.

Exhibit 3: DAAS Program Expenditures, FY 2011-2015



Source: Controller's Office, EIS Financial Reports

Given this growth, the concerns documented in the 2008 Strategic Review appear to have some continued legitimacy. As discussed in this report, DAAS could benefit from continued administrative support particularly in the areas of contracting and planning. Currently and consistently, DAAS receives 13 percent of the total central administrative costs at HSA.

Table 1: DAAS Administrative Costs as a percentage of Total Admin Costs

Fiscal Year	Total HSA Admin Budget	Total DAAS Admin Costs	% of Total
FY 2011-12	$ 87,026,501	$ 11,133,616	13%
FY 2012-13	$ 90,909,676	$ 11,782,310	13%
FY 2013-14	$ 101,541,181	$ 13,579,911	13%
FY 2014-15	$ 103,019,203	$ 13,814,854	13%

Source: HSA

Demographic Trends – San Francisco Seniors

Over the past 15 years, the population of seniors (ages 65 and older) has increased at relatively the same pace as the total San Francisco population.

Table 2: Senior Population in San Francisco, 2000 to 2013

Year	Total Pop City	Total Pop 65+	% of Total Pop	Total 65+ in Poverty	% of 65+ in Poverty
2000	773,733	106,111	13.7%	11,010	10.4%
2006	744,041	109,887	14.8%	11,309	10.3%
2007	764,976	110,880	14.5%	11,500	10.4%
2009	815,358	114,108	14.0%	15,541	13.6%
2011	812,826	112,305	13.8%	14,966	13.3%
2013	837,442	119,132	14.2%	18,474	15.5%

Sources: Census 2000; ACS 2006, 2007, 2009, 2011, 2013

The "Total Pop 65+ in Poverty" column in Table 2 above reflects the total population of SF residents ages 65 and over living in poverty for whom poverty status has been determined. The percentage of the population for whom poverty status was determined for the years above ranged between 97.2 and 98.9 percent.

While the population of seniors has remained flat, the percentage living in poverty has increased by more than 50 percent.

To understand how the senior population is currently distributed throughout the City, the maps below illustrate concentrations of seniors by district. Exhibit 4 shows the population of seniors (ages 65 and older) as a percentage of supervisorial district.

Exhibit 4: Map of Seniors (65+) as a % of Supervisorial District

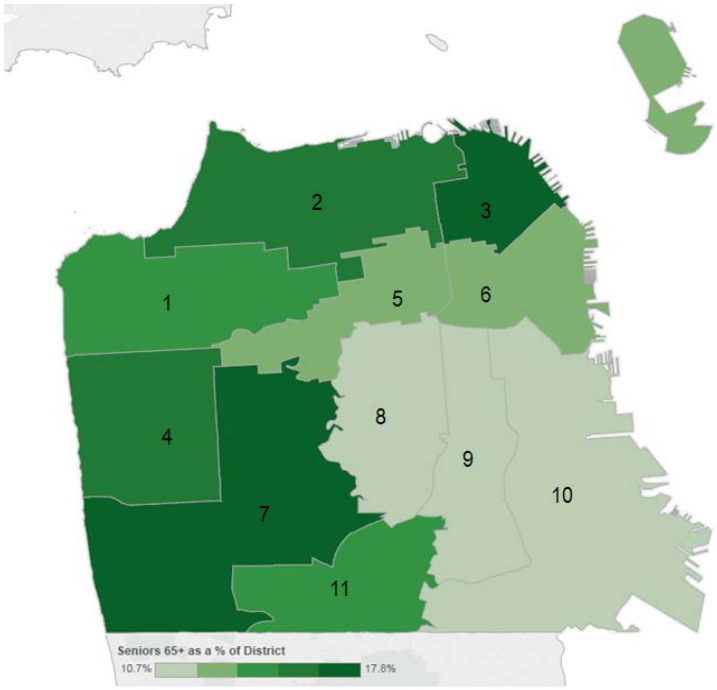
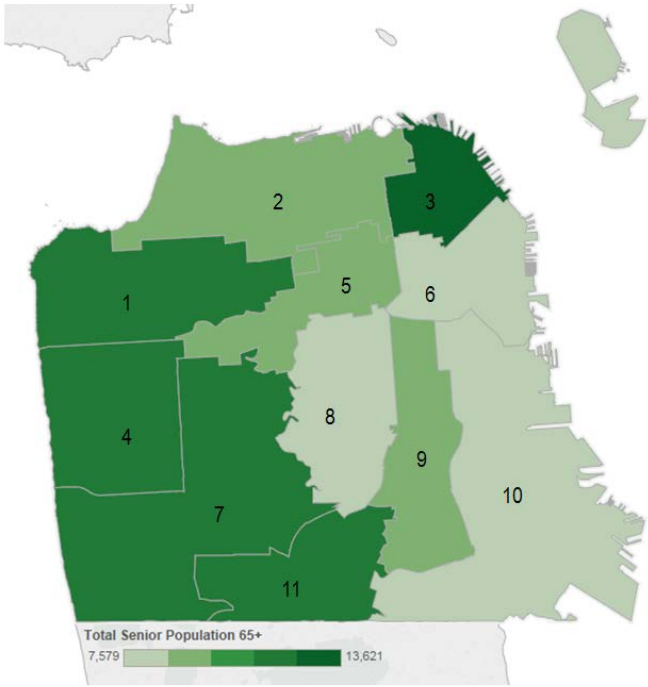


Exhibit 5 shows concentrations of seniors by supervisorial district.

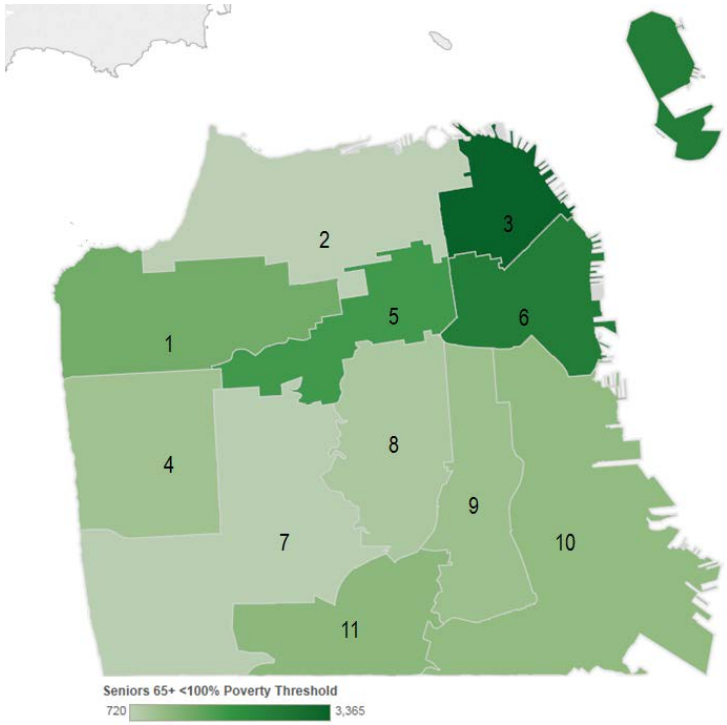
Exhibit 5: Map of Total Senior (65+) Population by Supervisorial District



As shown on the two exhibits above, Districts 3 and 7 have the highest concentrations of seniors as a percentage of the total district population, and District 3 has the largest concentration of seniors citywide. District 9 has a lower number of seniors as a percentage of the district, but a higher concentration of seniors citywide.

Exhibit 6 below shows the distribution of seniors (ages 65 and older) living in poverty. Poverty is defined by the Census Bureau as at or below 100 percent of the poverty threshold.[2]

Exhibit 6: Seniors (65+) Living in Poverty[3], by Supervisorial District



[2] This data comes from the American Community Survey, a statistical survey produced by the US Census Bureau. To define poverty, the Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. This definition uses money income before taxes and does not include capital gains or noncash benefits (i.e. public housing or food stamps). In 2013, the poverty threshold for an individual 65 years and over was $11,173.

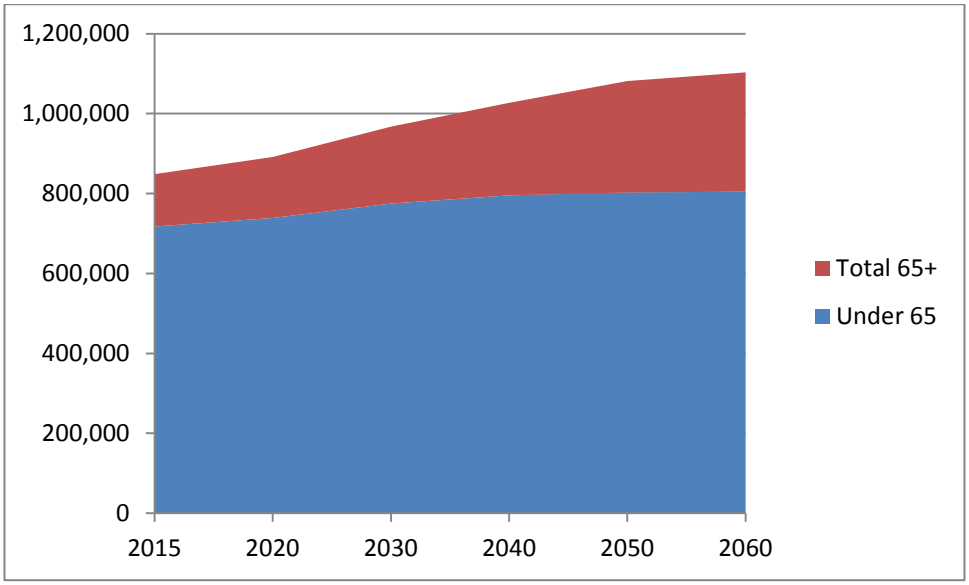
The official poverty thresholds do not vary geographically, so these amounts are not adjusted to account for higher costs of living. The Area Median Income in San Francisco, as defined by the US Housing and Urban Development Department, was $70,850 for an individual. The 2013 poverty threshold for seniors ($11,173) represents 16 percent of San Francisco's Area Median Income for that year.

[3] For whom poverty status has been determined.

Projected Senior Population Growth

According to the California Department of Finance, over the next 45 years, the number of seniors (65+) in San Francisco will increase from 131,163 to 298,536 (or 128 percent). As a percentage of the City's total population, the portion of seniors 65+ will also increase over that time period—from 15 percent to 27 percent —as shown below.

Exhibit 7: Senior Population Projections for San Francisco, 2015 to 2060



Source: CA Department of Finance

Inventory and Distribution of Services for Seniors

As noted above, multiple City agencies administer programs and services to meet the needs of seniors in the community. Age eligibility thresholds for these programs that generally serve the senior population vary: recreational programs consider residents 55 years old and above to be seniors, while eligibility for certain HUD-funded housing programs starts at 62 and 65 years old.

Below is a summary of the major senior services in the City.

Human Services Agency, Department of Adult and Aging Services

Aside from In-Home Supportive Services[4], the Office on Aging manages the largest budget within DAAS and provides a wide range of programs for services, including nutrition, case management, legal services, and adult day care. Appendix A details all of the programs administered by the Office on Aging, with expenditures and total clients served.

Table 3: Office on Aging Programs and Budgets, FY 2013-16

Program	Expenditures				Budget	% Change FY 12-13 - FY 15-16
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Amount	%
Home-Delivered Meals	$4,853,849	$5,576,066	$6,528,174	$7,692,141	$2,838,292	58%
Congregate Nutrition Program	3,836,982	5,026,630	4,954,711	6,532,593	2,695,611	70%
Community Services	2,785,050	3,162,263	3,810,283	5,004,349	2,219,299	80%
Case Management	2,356,853	2,397,243	2,765,768	2,907,684	550,831	23%
Housing Subsidy	n/a	n/a	116,674	1,567,056	n/a	n/a
Legal Services	883,507	918,959	904,094	988,947	105,440	12%
Aging and Disability Resource Center	546,597	554,138	588,024	965,185	418,588	77%
Home-Delivered Groceries	302,173	344,229	870,370	890,979	588,806	195%
SF Connected	1,128,735	835,980	771,732	852,662	-276,073	-24%
Transportation (MTA work order)	716,696	631,111	778,483	741,134	24,438	3%
Naturalization	610,746	624,309	639,053	656,041	45,295	7%
Total	**$18,021,188**	**$20,070,928**	**$22,727,366**	**$28,798,771**	**$9,210,527**	**51%**

Source: HSA

This report contains additional information regarding contracting procedures at DAAS, as well as specific details on aspects of the nutrition and case management programs.

[4] For the purposes of this study, we have not focused on In-Home Supportive Services for our analysis, as it is primarily funded by the State.

Department of Public Health Programs

The Department of Public Health generally offers three types of services for San Francisco seniors: behavioral health, long term care facilities, and permanent supportive housing.

Table 4: DPH Senior Programs, Clients and Expenditures, FY 2014-2015

Senior Program	FY 2014-15 Clients	FY 2014-15 Expenditures
Behavioral Health Services	1,303	$6,180,048
Long Term Care Facilities	2,045	$18,443,295
Housing and Urban Health	301	$2,945,586

Source: DPH

In addition, the Department of Public Health operates Laguna Honda Hospital, which provides significant short and long-term care opportunities for aging San Franciscans.

Housing Programs

Seniors face particularly difficult rent burdens, given the fixed state of their incomes and their displacement from the workforce. As noted above, the percentage of seniors living in poverty has increased by 50 percent in the past 15 years.

Given current and projected population trends, affordable housing options for SF seniors are and will continue to be insufficient to meet market demands. Despite priorities and ongoing development, SF has not been able to keep pace with the overall affordable housing needs facing residents. However, the realities of reduced federal funding, high construction costs, limited land supply, and competing needs of vulnerable resident populations present major obstacles to the City's efforts to allow seniors to age in place.

Multiple City agencies have programs and funding dedicated to expanding and/or preserving the affordable housing stock available to seniors. These agencies include the SF Housing Authority, the Mayor's Office of Housing, the Office of Community Investment and Infrastructure, the Department of Public Health and the Human Services Agency.

Table 5: Inventory of Housing Programs for Seniors [5]

City Housing Program	Current # of Senior Residents
SROs (LOSP and Master Lease) (HSA)	948
SROs (LOSP and Master Lease) (DPH)	716
Senior Village	469
Shelter + Care	220
Care Not Cash	9
MOH	2,108
SFHA – public housing	1,603
SFHA - project-based vouchers	9
SFHA - tenant-based vouchers (sec 8)	177
Veterans Affairs Supportive Housing	182
Total # of Seniors in City Housing Programs	6,381

Source: SFHA, DPH, HSA, MOH

As noted above, the City's ability to build and preserve affordable housing for low-income residents, including seniors, has been severely constricted by significant losses in federal and state housing resources, shown below.

Table 6: Mayor's Office of Housing Funding from Federal and State Sources, FY 2010-2015

FY	Federal Sources	State Sources
2009-10	97,507,092	21,586,440
2010-11	80,060,326	-
2011-12	7,055,037	4,374,957
2012-13	13,912,758	4,670,936
2013-14	2,130,081	3,435,533
2014-15	7,882,569	6,856,116
% Decline	92%	68%

Source: MOH

Local investment has not sufficiently compensated for the significant decline in public financing for affordable housing in recent years. The table below shows local funding for senior housing over the past four fiscal years.

[5] DPH and HSA operate Single Resident Occupancy (SRO) hotels through master leases with private hotel owners and subsidies to non-profit organizations that own or operate SROs (Local Operating Subsidy Program or LOSP). The San Francisco Housing Authority (SFHA) administers public housing, housing vouchers to low-income residents to pay for rent, and project-based housing vouchers (in which vouchers pay for a unit of affordable housing rather than allocated to a low-income resident to pay for rent).

Table 7: MOHCD, Funds for Multifamily Senior Housing by Source, FY 2011-2015

Fiscal Year	Federal Funds	Local Funds		Total	% Local
		General Fund	Impact Fees		
2011-12	646,660	1,591,005		2,237,665	**71%**
2012-13	5,934,992	5,120,696	1,487,545	12,543,234	**53%**
2013-14	653,759	1,217,988	831,455	2,703,202	**76%**
2014-15	7,235,908	4,562,870	2,028,417	13,827,195	**48%**

Source: MOH

Recreation & Park Programs

The City's Recreation and Park Department provides services for seniors through its citywide Seniors Program, the Golden Gate Park Senior Center, and individual community-based programs (through 26 full-service recreation centers and 44 clubhouses). Activities offered include fitness, dance, games, arts & crafts, and recreational trips. While the Recreation & Park Department defines "senior" as a person aged 55 and older, it does not capture age in program participation. All senior programs offered by Recreation & Park Department are free of charge.

Transportation Programs

SFMTA operates several programs that assist seniors in getting around the City. These include transit subsidies, paratransit, vans/taxis, and transportation accessibility programs.

- Muni/BART/AC Transit – subsidized for 65+
- Paratransit – eligibility determined by disability, not age – but 85 percent of paratransit customers are seniors.
- Van and Taxi Program – subsidies for seniors (up to 50 percent of ride for standing rides), SF Access (shared van, advance notice), Group Vans ($2.25/trip)
- Transit accessibility efforts
    - (MUNI): reserved seating, audible announcements, lifts, ramps, lower floor vehicles.
    - Taxis: 100 accessible taxi permits

Survey Results

To gather information on senior service delivery and contracting in comparable jurisdictions, the audit team surveyed 12 counties: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Orange, Riverside, Sacramento, San Bernardino, San Mateo, San Diego and Santa Clara. Six counties completed the survey, including Alameda, Kern, Los Angeles, San Bernardino, San Diego and Santa Clara. Those results can be found referenced in the body of this report and in their entirety in Appendix B.

Areas for Future Review

During the scope of this audit, we identified a two emerging issues in the area of senior care and services that may warrant future studies: dementia care and workforce development.

Age is the strongest factor for developing dementia. As San Francisco's population continues to age, the number of people with Alzheimer's and other forms of dementia will increase.

In addition, the need to remain in or return to the workforce may increase as housing affordability pressures continue.

As the senior population grows and lives longer, the City will need to focus resources on these service areas.

Acknowledgements

We would like to thank the staffs of the Department of Aging and Adult Services, the Human Services Agency, the Department of Public Health, the SF Recreation and Parks Department, the Mayor's Office on Housing, and the SF Municipal Transportation Agency for their assistance during this audit process.

1 Service Gap Analysis

The Department of Aging and Adult Services (DAAS) is required to complete a Needs Assessment and Area Plan every four years in compliance with federal and state requirements. While DAAS worked to improve the Needs Assessment document following a review by the Controller's Office in 2005, this document still does not contain a Gap Analysis. The purpose of a service Gap Analysis is to estimate the unmet need for a particular service, which is the gap between the number of individuals currently receiving services, and the total population that might benefit from, or be eligible for, a particular service. Without a Gap Analysis, the department lacks critical information when making decisions as to where it might best allocate existing service resources and what additional level of resources to request.

Current DAAS Needs Assessments do not Analyze Unmet Service Needs

While DAAS completes a Needs Assessment every four years in compliance with State and Federal requirements, this Needs Assessment does not include a summary analysis of the unmet need in critical service areas, such as case management, housing, nutrition and transitional care.

The Older Americans Act[1] requires that all Area Agencies on Aging—DAAS, in San Francisco—complete a Needs Assessment that documents critical senior services needs. The California Code of Regulations outlines the process by which the Area Agencies on Aging must complete the Needs Assessment in the state.[2]

The minimum requirements listed in the California Code of Regulations for the Needs Assessment are: 1) an analysis of the Department of Finance Census Tables or data from the U.S. Census Bureau; 2) a review of data obtained from other social service agencies that provide services to older individuals; and 3) completion and analysis of a sample survey of older individuals.

According to the California Department of Aging, the Needs Assessment process should result in two products:

- An identification of the types and extent of existing and potential needs of the client population within the community, and of the services or resources existing within that community which are available for addressing those needs.

[1] Older Americans Act, Section 306(a)(1)
[2] California Code of Regulations (Title 22, Division 1.8)

- An estimation of unmet needs, under-utilized services, and barriers which prevent access to available services.[3]

In 2005, a San Francisco Controller's Office audit found that while the Needs Assessment completed by DAAS did meet state requirements, it did not: 1) identify specific needs and target populations, 2) identify existing resources and gaps in service, 3) establish priorities, set goals and objectives, or 4) allow the Department to allocate resources effectively.

While the DAAS Needs Assessment does offer information beyond the requirements of the State, it still does not clearly identify gaps in service, establish priorities, or set goals and objectives to facilitate the effective allocation of service resources.

Description of the DAAS Needs Assessment

DAAS produces the Needs Assessment in two parts. **Part I** provides a quantitative and qualitative profile of San Francisco's seniors and persons with disabilities. **Part II** discusses the services and funding levels provided in seven service areas: Access to Services (including Consumer Advocacy), Caregiver Support, Case Management and Transitional Care, Housing, Services to Reduce Isolation, Nutrition, and Self-Care and Safety.

As noted above, the DAAS Needs Assessments have always been accepted by the California Department on Aging. While the assessments are sufficient for the State's purposes, local policymakers would benefit from greater detail. While several of the service area descriptions do include an estimate of the total percentage of the senior population that might need or qualify for a particular service, and that is not currently receiving it, the information is not presented in a manner that allows for a straightforward analysis of the service gap and the level of resources necessary to address it.

For example, the Needs Assessment shows the percentage of seniors that indicated a need for nutrition or case management services, but it does not translate these percentages into real numbers. By incorporating estimated services needs into information about program waitlists, DAAS could use the information to present a summary assessment of the unmet need for services in order to demonstrate clearly where additional resources should be prioritized.

These types of gap analyses are conducted by other City agencies and other senior services agencies in the country. The San Francisco Department of Children, Youth and Families (DCYF) conducts a multi-year planning process to determine where unmet service needs exist, including a neighborhood analysis. Table 1.1 below illustrates the unmet

[3] California Department of Aging. "2012-2016 Area Plan: Needs Assessment Guidelines."

need by age group and neighborhood between 2002 and 2007 for subsidized childcare slots, as presented in DCYF's Needs Assessment.

Table 1.1: Unmet Need for Subsidized Childcare (2011)

	Unmet Need for 0-2 Year Olds			Unmet Need for 3-5 Year Olds		
	2002	**2007**	***Change***	**2002**	**2007**	***Change***
Hayes Valley/Tenderloin	258	280	*+22*	146	236	*+90*
South of Market	211	212	*+1*	132	185	*+53*
Financial District	-4	0	*+4*	2	4	*+2*
Downtown	3	3	-	-1	5	*+6*
Potrero Hill	173	107	*-66*	-38	15	*+53*
Chinatown	199	157	*-42*	-62	89	*+151*
Russian Hill/Nob Hill	502	347	*-155*	163	310	*+147*
Inner Mission/Bernal Heights	1,277	977	*-300*	56	804	*+748*
Embarcadero/Gateway	11	16	*+5*	-4	7	*+11*
Outer Mission/Excelsior/Ingleside	670	955	*+285*	221	205	*-16*
Castro/Noe Valley	121	29	*-92*	-15	22	*+37*
Western Addition	258	141	*-117*	-144	133	*+277*
Parkside/Forest Hill	148	246	*+98*	209	49	*-160*
Haight/Western Addition/Fillmore	178	65	*-113*	20	662	*+612*
Inner Richmond/Presidio/Laurel	193	150	*-43*	117	81	*-36*
Outer Richmond/Sea Cliff	240	171	*-69*	263	141	*-122*
Sunset	290	208	*-82*	118	127	*+9*
Marina/Cow Hollow	45	35	*-10*	-62	10	*+72*
Bayview/Hunters Point	405	570	*+165*	82	224	*+142*
West Portal/St. Francis Wood	36	76	*+40*	29	40	*+11*
Presidio	-15	40	*+55*	-49	14	*+63*
Treasure Island	-8	0	*+8*	-14	7	*+21*
Twin Peaks/Diamond Heights/Glen Park	167	131	*-36*	98	29	*-69*
Stonestown/Lake Merced	165	81	*-84*	109	92	*-17*
North Beach/Telegraph Hill	221	198	*-23*	9	1	*-8*
Visitacion Valley	413	405	*-8*	261	106	*-155*
Total	**6,157**	**5,600**	***-557***	**1,616**	**3,598**	***+1,952***

Source: Community Needs Assessment, DCYF, 2011

An example of a gap analysis for senior services comes out of Rapid City, South Dakota. The analysis determined the unmet need for seventeen community services, and then ranked the provision of each service area as being "below," "at," or "above" the expressed needs of the community, shown in the table below.

Table 1.2: Gap Ratings for Senior Service Areas (Rapid City, SD)

Service Area	Gap Rating
Access to health care (including specialists)	Below
Mental health	Below
Fitness opportunities	Below
Independent living	Below
Assisted living & skilled care	Below
Access to services	Below
Safety	At
Development	Above
Sense of community	At
Shopping	Below
Housing	Below
Transportation, mobility and ADA-accessibility	Below
Civic & social engagement	Above
Volunteer opportunities	Above
Employment opportunities	At
Recreation opportunities	At
Religious and spiritual opportunities	At

Source: Rapid City: Senior Need Assessment and Service Gap Analysis

DAAS produces need assessments of specific service areas on a regular basis. For example, in 2014, DAAS produced a memo that attempted to estimate the unmet need for home-delivered meals and home-delivered groceries in preparation for a Hearing on the Status of Hunger and Food Security in San Francisco.

Planning staff at HSA also prepare individual needs assessments by subject area prior to the issuance of a Request for Proposals (RFP) or Notice of Funding Availability (NOFA). Over the last few years, individual needs assessments in the areas of Caregiver Support, Consumer Advocacy, and Emergency Home Care were created. While these documents include detailed information about the types of services funded by the department in each area, they do not include an estimate of the unmet need for individual services.

DCYF is able to conduct a detailed gap analysis, in part because of the mandate established by the Children's Fund legislation and the allocation of resources to this analysis. While DAAS does not have the same resources to conduct a detailed gap analysis, such an analysis is important in correctly estimating the unmet need for services. Without an estimate of the unmet need for services, it is unclear what level of additional resources is warranted for a particular service area, or where resources should be allocated when they do become available. As evidenced by the memo prepared by DAAS on the need for nutrition services, there is unmet need for certain critical services such as nutrition. This should be clearly indicated in the Department's primary, multi-year Needs Assessment document.

Recommendation 1.1: The DAAS Director should work with the HSA Director of Administration to identify sufficient planning and analytical resources to enable a summary gap analysis for each service area included in future Needs Assessments.

Program Waitlists are Decentralized and Inaccurate

Waitlist management at DAAS is decentralized, with lists for some programs generated through the Department's Intake and Referral division, and others maintained directly by providers. Because the level of detail and accuracy of these lists vary widely, DAAS is not able to use waitlist information to evaluate program use and need. For example, waitlists for congregate meals reflect the number of individuals turned away from receiving a meal at a location, even though those individuals may have been directed to another location that served them. It also doesn't capture the individuals needing congregate meals who haven't attempted to receive one.

Waitlists for home-delivered meals are also insufficient to evaluate the program's use and need. According to the Intake and Referral records for home-delivered meals, some individuals remain on the waitlist and are categorized as being in "emergency need" of a meal for hundreds of days. HSA planning staff informed the Budget Analyst that if an individual's meal preference is not available, or if they are currently in the hospital but have not yet been released, they may remain on the emergency list for an extended period, even if they are no longer, or not currently, in emergency need of a meal after having received services from a private charity, in the hospital, or elsewhere. As a result, the home-delivered meals waitlist, and in particular, the emergency section of the waitlist is not an accurate and up-to-date tool for determining emergency need for meals. DAAS staff informed the budget analyst that the home-delivered meals waitlist is being revised by the SF GetCare vendor, RTZ.

In general, the Department expresses a lack of faith in the waitlist system, and should take immediate steps to improve and centralize the information. Existing resources, such as SF GetCare, can and should be optimized for this purpose. Failure to track waitlist needs accurately places vulnerable seniors at risk of not receiving the essential services available to them.

Recommendation 1.2: The DAAS Director should identify opportunities to use existing data resources, including SF GetCare, more effectively to centralize and manage the waitlist information.

Public Outreach during the Needs Assessment Process is Inadequate to Capture Diversity of Needs Facing Seniors

To gather input from the community for its Needs Assessment process, DAAS has utilized the following community engagement tools:

- Three citywide forums during the Needs Assessment planning process with between 20 and 50 seniors in attendance at each;
- Community focus groups with representatives from different demographic groups, typically consisting of 7-14 representatives from each community.

In contrast, the Department of Children, Youth and Their Families (DCYF) conducts direct community outreach over the course of a year to inform its needs assessment. During the most recent funding cycle, DCYF engaged in the following outreach activities:

- Community meetings attended by 743 residents;
- Survey of 145 community-based organizations;
- Conversations with 20 policy and advisory bodies;
- Focus groups involving more than 80 parents and providers; and
- Interviews with key city leaders.

In total, over 1,000 people participated directly in the DCYF Community Needs Assessment process, compared to the maximum total participation of 220 individuals in the DAAS needs assessment process. DAAS does not currently have the same legislative mandate to conduct extensive outreach as does DCYF.

Non-profit senior services providers indicate that additional, neighborhood-specific direct community outreach would assist DAAS in determining other types of services needed, beyond those currently provided. For example, certain emerging service needs, including employment and workforce reentry programs, are currently excluded from the DAAS assessment (discussed further in Section 5 of this report). Providers suggest that more extensive outreach throughout the City's districts would create the opportunities for such issues to surface.

> Recommendation 1.3: DAAS should increase the amount of community outreach that it conducts while creating the Needs Assessment document. At least one community forum should be held in each of the 11 supervisorial districts, which would increase the total number of individuals participating by approximately 400.

A Gap Analysis Would Help Connect the City's Extensive Planning Efforts for Senior Services to Program Delivery

Federal and state law generally encourages or requires local efforts to allow seniors to age in the community whenever possible. The City's senior services model is based on the widely accepted best practices of diversion from institutionalization and integration within the community to allow seniors to age at home or other unrestrictive community settings whenever possible.

In San Francisco, four public oversight and policy-making bodies—the Advisory Council, the Aging and Adult Services Commission, the Long Term Care Coordinating Council, and the Long Term Care Integration Design Group—have guided the City's strategic planning processes, resulting in Strategic Plans for community-based long term care and supportive services for older adults. General goals related to this model of care are reflected in the DAAS Area Plan, but these public planning documents do not clearly show how the Department prioritizes service needs or measures related outcomes.

In contrast, DCYF uses its Needs Assessment to establish funding priorities, and service goals and outcomes. The most recent Children's Services Allocation Plan (2013-2016) outlines strategy areas for each age range, and then commits a range of funding to each strategy area. By doing so, the Department indicates how it will prioritize funding among several competing needs.

Exhibit 1.1: DCYF 2013-2016 Funding Allocations by Strategy

POPULATION	SERVICE AREA	STRATEGY	ALLOCATION ($ millions) LOW	HIGH
Age 0 -5	Early Care and Education (ECE)	☐ Ensure Access to High-Quality Child Care	3.77	3.885
		☐ Support the Professionalization of San Francisco's Early Childhood Workforce	6.14	6.275
		☐ Improve Early Childhood Program Quality	0.34	0.345
		☐ Strengthen Inclusive Practices and Inclusion System Supports for Children with Special Needs	0.75	0.77
		SUBTOTAL	11	11.3
Ages 5 -13	Out-of-School Time (OST)	☐ Ensure Access to Comprehensive Before- and Afterschool Programs	9.3	9.6
		☐ Ensure Access to Comprehensive Summer and School Break Programming	2.7	4.05
		☐ Ensure Access to Specialized Activities	1	2
		☐ Develop and Institutionalize Core Academic Capacities at Comprehensive K-8 Afterschool and Summer Programs	0.485	0.66
		☐ Build Programmatic Capacity and Improve Service Quality	0.485	0.66
		SUBTOTAL	13.76	16.685
Ages 13-25	Youth Leadership, Empowerment, and Development (Y-LEaD)	☐ Ensure Access to Specialized Out-of-School Time Programming for Teens	2.625	4.01
		☐ Ensure Access to Summer Transition Programming	0.25	0.5
		☐ Support Development of Work Readiness and 21st Century Skills, Career Awareness & School Success	9.5	11
		☐ Deepen Youth Empowerment and Community Engagement	1.3	1.5
		☐ Ensure Access to School-Based Wellness Services	3.65	4
		☐ Build Specialized Programmatic Capacity and Improve Service	0.1	0.2
		SUBTOTAL	17.425	21.16

Source: DCYF Children's Services Allocation Plan (2013-2016)

DCYF also establishes outcomes in its Allocation Plan that are tied to each funding strategy area. By monitoring progress against the outcomes, the Department is able to verify whether funding is having the intended impact.

DAAS would benefit from a similar alignment of service needs, priorities, and funding to ensure the most efficient distribution of resources to meet the most urgent needs facing seniors.

Recommendation 1.4: The DAAS Director should incorporate the improved needs assessment, as recommended in 1.1, to prioritize the service areas and allocate funding.

2 Contracting Award Process

The process used by the Department of Aging and Adult Services (DAAS) to allocate funding to senior services contractors is unclear and should be made more transparent. The Department currently uses two tools to determine funding awards: RFP scores and its "Guiding Principles of Funding Allocation." However, there is no written policy indicating how DAAS uses the RFP scores to award funding, or how the Guiding Principles are prioritized and weighted. For example, the Guiding Principles indicate that cost per unit will be evaluated during proposal review, but a review of recent RFP awards shows wide variation in the cost per unit of service, suggesting otherwise. Contract awarding is further complicated by the inefficiency of the add-back process. Over the past two fiscal years, a significant percentage of funding for critical senior services, such as nutrition, has been allocated during the budget add-back process, rather than during the normal budget cycle, making it difficult for service providers to plan for the level of services that they will be contracted to provide.

DAAS Does Not Document How it Makes Individual Funding Awards

When granting funds to service providers, DAAS uses two tools: Request for Proposals (RFP) scores and its Guiding Principles of Funding Allocation. Following the results of the RFP review panel, DAAS senior managers conduct a secondary assessment using the Guiding Principles. It is unclear how the RFP scores and Guiding Principles review correspond to the funding award made—DAAS does not quantify the Guiding Principles nor does it document its final funding review process.

RFP and NOFA Review Scores

For each RFP and Notice of Funding Availability (NOFA), the HSA Contracts Office pulls together an expert panel to review and score all applications using established criteria. A breakdown of the point distribution across the criteria is typically included in the RFPs and NOFAs, so applicants know exactly how criteria will be weighted to assign them a score. For example, points were allocated for a recent case management RFP according to the following breakdown:

Proposal Section	Maximum Points
Cover Page, Intro and Executive Summary	25
Organization Qualification and Capacity	40
Project Approach and Budget	35
Total	100

Following the formal proposal scoring process, the Human Services Agency (HSA) Contracts Office sends the scores to DAAS, recommending whether or not to fund an applicant; these recommendations do not specify a funding amount.

Guiding Principles of Funding Allocation

Upon receipt of the final scores from the HSA Contracts Office, DAAS senior management conducts a review for final award determination, which relies heavily upon the Department's "Guiding Principles of Funding Allocation". The department established the "Guiding Principles of Funding Allocation," in 2003 in response to previous management reviews of the department completed by the Controller's Office, in order to clarify how it awards funding.

These five guiding principles include:

- Needs of the specific communities in terms of geographical region, age, income;
- Demographics and language needs of residents in different parts of the city;
- The most vulnerable and underserved districts that may need additional help;
- Demonstrated needs from the needs assessment, strategic planning documents, and input from clients; and
- The cost of doing business, such as the increasing food costs, fuel costs, and insurance costs.

The Guiding Principles further states: "If there are competing needs of different communities, risk factors will be considered in terms of funding allocation. Priority will be given to the most vulnerable residents that may need additional help."

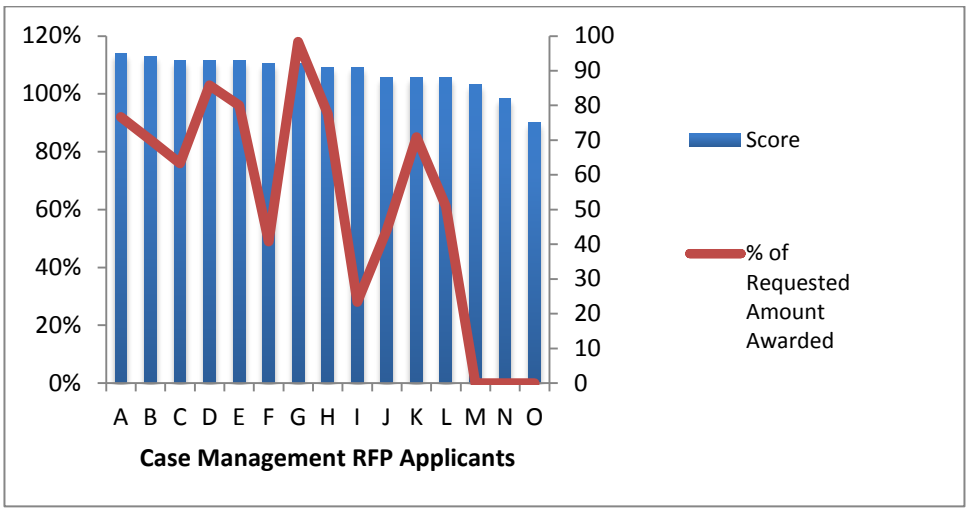
However, the document does not explain how the principles will be quantitatively weighted against each other, or whether applications that do not address all of the five principles will be considered.

Because DAAS does not document how it uses the Guiding Principles or how it ultimately determines award amounts, it is unclear how RFP scores and the Guiding Principles review are used by DAAS to make awards. It is also unclear why the Guiding Principles have not been incorporated directly into the published selection criteria, so that proposers would know exactly how they are being measured against other proposers.

A review of recent RFP scores and funding awards shows a weak correlation between the two. This suggests that the Guiding Principles review plays a significant role in determining how funding awards are made.

For example, when reviewing the awards for the FY 2014-15 case management RFP, there does not appear to be a direct correlation between the awards made and the scores. Because organizations request varying award amounts, we calculated the percentage of the total funding request that was ultimately awarded. As shown in the table below, some high-scoring organizations received a low percentage of their requested award amount, and some lower-scoring organizations received high percentages of their award request, and in some cases, more than their requested award amount. Although five applicants received higher scores than Applicant G, for example, DAAS awarded Applicant G a higher percentage of its request for funding.

Exhibit 2.1: Scores and Percentage of Requested Funding Awarded for Case Management (FY 14-15)



Source: Human Services Agency, Contracts Office and Budget Analyst calculations

A review of the department's recent funding allocations for congregate and home-delivered meals for FY 15-16 shows similar inconsistencies between scores and awards.

Table 2.1: RFP Scores and Percentage of Requested Funding Received for Congregate Meals (FY 15-16)

Applicant	Score	% of Requested Amount Awarded
A	85	64%
B	83	47%
D	83	44%
E	83	32%
F	79	11%
G	75	50%
H	60	42%

Source: Department of Aging and Adult Services (DAAS)

Table 2.2: RFP Scores and Percentage of Requested Funding Received for Home-Delivered Meal Services (FY 15-16)

Applicant	Score	% of Requested Amount Awarded
A	87	72%
B	82	108%
C	81	58%
D	76	13%
E	63	20%

Source: Department of Aging and Adult Services (DAAS)

DAAS senior management explained that the variance in awards results from the Department's need to serve a diverse group of predominantly low-income seniors with multiple language and cultural differences. However, these additional relevant criteria should be clarified and documented within the Request for Proposals and the RFP scoring matrix in order to ensure objectivity and transparency in the awarding of public dollars. This need for the department to establish and communicate all competitive funding guidelines and rules for selecting contractors was also identified in the 2005 audit produced by the Controller's Office.

While the department should maintain discretion in awarding contractors, it must ensure a transparent process, where decisions are documented, to prevent the appearance of favoritism and subjectivity.

> Recommendation 2.1: For each NOFA or RFP, all criteria used to evaluate the proposals should be listed and assigned a quantitative weight for scoring. If additional factors are considered in the review, DAAS should work with HSA to document how those factors impacted the final funding decision.

DAAS Should Evaluate Opportunities for Contracting Efficiencies

In addition to the inconsistency between awards and scores, Exhibit 2.1 above also shows that DAAS tends to make awards to most of the proposers for contracts. According to the department, it spreads funding among so many providers, particularly for the home-delivered meals program, to provide culturally and linguistically appropriate service. However, one provider offers a much lower unit cost than the others and the land area for delivering meals throughout San Francisco is relatively small.

From the results of our 10-county survey, several responders representing larger counties cited their large geographic footprint as the primary reason for contracting with multiple home-delivered meals vendors. The table below shows how the counties compare.

Table 2.3: Comparison of Home-Delivered Meals Vendors to Square Mileage of Total Service Area

County	# of vendors	square mileage	vendors/sq mile
Kern	1	8,161	0.0001
San Bernardino	3	20,105	0.0001
Santa Clara	1	1,304	0.0008
San Diego	13	4,526	0.0029
Los Angeles	16	4,752	0.0034
Alameda	7	821	0.0085
San Francisco	**7**	**47**	**0.1489**

Source: Budget and Legislative Analyst Survey

As shown, San Francisco has the highest rate of vendors per square mile of the surveyed counties. Since managing multiple contracts adds an administrative burden on the Department, DAAS should reconsider this model of contracting with multiple vendors.

In addition, the Department should give greater consideration to cost per unit in the RFP review process. Although the Guiding Principles indicate that the department will take into account the service units proposed and the cost per unit of service, the ongoing variance in unit costs indicates that this is not a major factor for awards. For example, and as discussed in greater detail in Section 5 of this report, the variance in cost per unit for home-delivered meals between providers is $3.15 to $6.30.

Recommendation 2.2: The DAAS Director should evaluate the potential efficiency gains from limiting the number of contractors, and evaluating cost per unit.

The Allocation of Funding for Programs through the Add-Back Process Creates Inefficiencies and Delays in Service Delivery

In the last two annual budget cycles, a significant portion of funding for these DAAS programs has been allocated during the Board of Supervisors' add-back process.

The percentage of funding allocation during the add-back process has increased for many DAAS programs significantly over the past two fiscal years. Table 2.4 below shows funding increases for programs in the Department's case management and transitional care programs.

Table 2.4 Add-back Funding for Case Management and Transitional Care Programs for Seniors

	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Total Budgeted Funding for Case Management and Transitional Care Programs	$6,893,253	$7,562,537	$8,060,034	$7,739,823
Additional Funding from BOS Add-Backs				
Villages program[1]	$100,000	$200,000	$175,000	$375,000
Case Management			$50,000	$80,000
Housing Subsidies			$819,083	$747,973
Dementia Care Task Force				$200,000
Total Add-Backs for CLP	$100,000	$200,000	$1,044,083	$1,202,973
Add-Backs as % of Total Funding	1%	3%	13%	16%

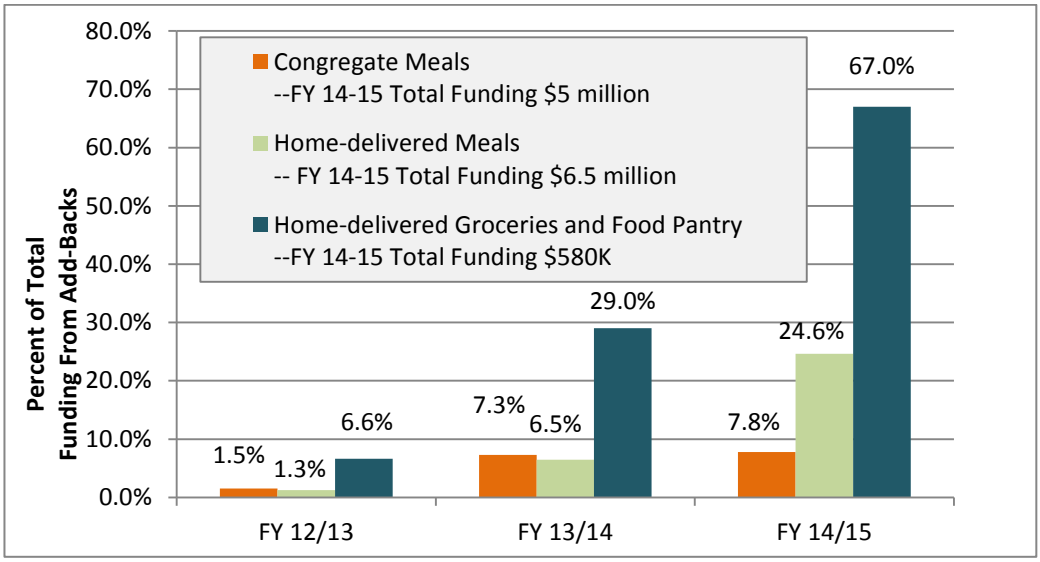
Source: DAAS and HSA

In FY 2015-16 the add-back to the case management and transitional care programs was 16 percent of the original FY 2015-16 budget compared to 1 percent in FY 2012-13 and 3 percent in FY 2013-14.

Similarly, an increasing percentage of total funding for senior nutrition programs has been allocated during the annual add-back process. As demonstrated in Table 2.5 below, the percentage of funding for home-delivered meals allocated through the add-back process jumped from one percent in FY 2012-13 to 25 percent in FY 2014-15. The percentage of funding for home-delivered groceries allocated through add-back funding increased from seven percent in FY 2012-13 to 67 percent in FY 2014-15. It should be noted, however, that total overall funding for each of these programs also increased.

[1] The Villages Program consists of home, medical, shopping, social services, and activities provided to seniors to facilitate their remaining in their homes.

Table 2.5: Senior Nutrition Programs Increasingly Funded through Budget Add-Backs



Source: Human Services Agency and Budget Analyst Calculations

In recent years, the add-back process has required DAAS staff to make contract modifications and seek Aging and Adult Services Commission approval well into the fiscal year after program activities have gotten underway, making it difficult for providers to plan for the level of service that they will provide, creating significant delays and inefficiencies in service delivery.

Recommendation 2.3: The Mayor's Director of Public Policy and Finance should work with DAAS in preparation of the annual budget to ensure that program priorities are reflected in the annual budget, rather than supplemented through the add-back process.

3 DAAS Contract Monitoring

Because the Office on Aging manages the majority of service provider contracts for DAAS, the office needs to ensure that program analysts are consistently assessing contractor performance. Eight contracts, or 31 percent of 26 contracts, reviewed by the Budget and Legislative Analyst did not show that the analyst had performed a contract assessment. Nor are individual contract assessments consistent: for example, while the contract assessment typically results in either a letter of compliance (noting findings) or a request for a correction plan, it is unclear what performance thresholds are used to determine compliance or need for correction. In order to ensure that contractors provide the quality and quantity of services specified in their contracts, DAAS needs to formalize contract assessment/monitoring polices, provide sufficient training to staff analysts, and set performance goals for staff analysts.

At DAAS' request, the Controller's Office conducted a review of best practices in performance measurement for home-delivered and congregate meals, case management, and adult day health care centers. In June 2015, the Controller's Office issued a report of findings, recommending new performance metrics for inclusion in provider contracts. To prepare to adopt and implement the Controller's recommendations for new performance measures, the DAAS Director should: ensure that all staff and contractors are trained in the City's performance data tracking system, GetCare; and assess technical assistance and training needed to ensure contractor compliance.

Program Analysts[1] Do Not Consistently Assess Contractor's Performance

In its 2005 audit of DAAS, the Controller's Office recommended that DAAS develop a policies and procedures manual for contract monitoring, and implement contract monitoring training for analysts based on these policies and procedures.

DAAS has since issued program standards for its contractors in the areas of Nutrition, Case Management, and annual contractor assessments. The annual contractor assessment form lists specific indicators for meeting each of the following requirements: agency purpose, organization standards, program and service administration records, compliance with Commission on Aging contract requirements, emergency preparedness, facility standards, and self-evaluation. The program analyst answers "yes"

[1] Program Analysts provide technical assistance, develop programs and craft RFPs in addition to monitoring contractor performance.

or "no" to specific indicators, the action to be taken, and the date to complete the action.

We reviewed the program assessment for 26 contracts with 20 non-profit organizations. As shown in the table below, the program analyst did not document the results of the assessment in eight or 31 percent of the 26 contracts.

Table 3.1: Results of Program Assessments in 26 Contracts

Primary Problem	Number of Contracts	Percent	Plan of Correction Submitted by Contractor
Under-enrollment or under-utilization of services	9	35%	6
Insufficient staffing	1	4%	1
Data entry, record keeping and other problems	7	27%	3
Lack of documentation by analyst	8	31%	n/a
No problem	1	4%	n/a
Total	**26**	**100%**	

Source: Budget and Legislative Analyst review of DAAS contracts

In four of the contracts, the program analyst did not record an assessment or only recorded a partial assessment of the contract performance. In three contracts, the analyst did not send a letter to the contractor reporting the results of the assessment, and in one contract, the analyst sent a letter to the contractor a long time after the assessment.

Problems contributing to inconsistent assessment of contractor performance include lack of comprehensive policies and procedures and insufficient training of program analysts.

Written Policies

The Office on Aging does not have a written policy on contract monitoring.[2] The Office has implemented a new online contractor reporting module called CARBON, but according to Office on Aging staff, the monitoring component has not yet been used by Office on Aging staff.

Written policies would allow program analysts and contractors to better understand the results of contract assessments and correct performance problems. While the contract assessment typically results in either a letter of compliance (noting findings) or a request for correction plan, it is unclear what performance thresholds are used to determine compliance or need for correction. For example, one contract assessment file

[2] DAAS management provided auditors with a Prezi contract monitoring training presentation, created on 2/26/16, and explained that more details would be added in future as time permitted.

contained a letter stating that the contractor was on track to meet all contractual service levels, but the variance report showed that the contractor had not achieved the required volunteer service hours.

> Recommendation 3.1: The DAAS Director should ensure that the OOA Manager develops a written contract monitoring manual that sets the standard for annual contract assessment and follow up.

Staff Training

In a 2013 follow-up to its 2005 audit, the Controller found that the limited training that was offered to the Office on Aging staff was akin to orientation, and noted that the OOA Manager stated that formal training would be possible when more analysts were hired. DAAS has increased the number of analysts from two in 2009 to seven in 2015 (including one vacant position), but has not developed sufficient training protocols or materials.[3]

During the course of this audit, the OOA Manager has initiated the process of outlining training guidelines for staff, but these have yet to be completed or implemented.

> Recommendation 3.2: The DAAS Director should ensure that the OOA Manager develops training procedures and requirements, and implements an annual training calendar for ongoing tracking and monitoring.

The Office on Aging Does Not Meet Agency-wide Monitoring Requirements

Contract monitoring allows DAAS analysts to assess the suitability and on-going capacity of contractors to deliver services in the quality and quantity of services agreed to in their contracts, to provide technical assistance and devise remedial action plans, and to bring deficiencies and other concerns to the attention of senior DAAS management. Delays in monitoring reduce staff ability to anticipate contractor deficiencies and recommend changes needed to maintain timely delivery of services to an optimal number of clients.[4]

As of December 2015, the annual contract monitoring for FY 2014-15 still had not been completed. According to the "Contracts Protocols" established by the HSA Office of Contracts Management, DAAS "program staff are responsible for providing written monitoring reports to OCM at least once per year, according to a schedule prepared by OCM at the beginning of each fiscal year." Even without a formal policy manual, OOA's

[3] Two of the seven analysts work exclusively on the SF Connected Program which provides free computer tutoring and support to seniors and adults with disabilities.

[4] Section 4 of this report provides details on the general tendency to under-enroll clients while over delivering units of services.

own internal policy is to complete annual contract monitoring by August for the preceding fiscal year. OOA is currently out of compliance with both protocols.

In response to the delay in contract monitoring, OOA management has relied on an informal risk assessment based on familiarity with programs and vendors that prioritizes monitoring of case management over nutrition and senior centers which are considered at lower risk of failing to meet performance criteria. In order to ensure that contractors provide the quality and quantity of services specified in their contracts, DAAS should specify the expectation for staff members to meet contract monitoring schedules and include the meeting of the contract monitoring schedules in each staff member's annual performance evaluation.

> Recommendation 3.3: The DAAS Director should specify in the contract monitoring manual noted in Recommendation 3.1 the expectation for staff members to meet contract monitoring schedules and include the meeting of the contract monitoring schedules in each staff member's annual performance evaluation.

Office on Aging Does Not Provide Sufficient Program Performance Reports to DAAS Management

Although the OOA Director meets weekly with analyst staff, OOA does not provide regular written management reports on program performance to DAAS senior management.

In accordance with contract terms, DAAS contractors are required to enter unit of service data into the City's primary data tracking system—GetCare—once a month. Although OOA analysts can query GetCare at any time to access information on contractor performance, DAAS senior managers do not require any regular high-level reporting in order to review program implementation or performance. Based on our records review, it is unclear how contractor performance results are communicated up through the organization.

Without regular management reporting, OOA cannot identify or respond quickly to implementation problems.

> Recommendation 3.4: The DAAS Director should develop a regular reporting tool for OOA staff to document and present program performance, including completion of contract monitoring, site visits, and status of contract performance findings.

DAAS Should Begin Implementation of the Controller's Office Recommendations for Improved Quality Assurance Measures

Currently, OOA program performance measures are principally measures of outputs such as processes or numbers of clients served, and self-reported client satisfaction. OOA does not gather information on strategic client outcomes.

At DAAS' request, the Controller's Office conducted a review of best practices in performance measurement for home-delivered and congregate meals, case management, and adult day health care centers. In June 2015, the Controller's Office issued a report of findings, recommending new performance metrics for inclusion in provider contracts that measure progress on stabilizing health conditions and quality of life outcomes for the specific programs.

As the agency moves to implement these recommendations, it should initiate a training program with all contract staff on the new measures and the incorporation of these measures into GetCare. This training should include sessions focused on extracting meaningful performance summaries for senior management. Once trained themselves, OOA staff should begin outlining plans to train nutrition, adult day health care, and case management contractors on the new measures and the incorporation of these measures into GetCare so that contractors understand how the data will be extracted and used for monitoring purposes. In addition, OOA staff should assess the technical assistance needed by the contractors for additional training or capacity building to ensure compliance. These new performance metrics should provide a more meaningful measure of the effect of DAAS programs on stabilizing seniors in the community, and should be adopted as quickly as possible.

> Recommendation 3.5: To prepare to adopt and implement the Controller's recommendations for new performance measures, the DAAS Director should: (1) ensure that all staff, particularly at OOA, are trained in GetCare; and (2) assess technical assistance and training needed to ensure contractor compliance.

4 Case Management

The City has conducted extensive strategic planning for senior services in recent years that has resulted in the adoption of a senior services model designed to reflect the national best practice of diversion from institution into the community. Case management, hospital-to-home transition, and on-going support services that allow seniors to age at home have been key components of this model. As federal and state funding for these programs has declined in recent years, the City has stepped forward to sustain them through the General Fund. Given the scarcity of resources, case management providers should be evaluated and monitored on the basis of the cost per client served and program performance to ensure consistent quality and maximum enrollment.

General Fund Allocations for Case Management, Transition and On-Going Support Services for Seniors Have Increased as Federal and State Support Have Declined

Case management, hospital-to-home transition and other DAAS programs that enable seniors to age at home and in other unrestrictive settings are critical components of the City's service model. Their goal is to enable functionally impaired seniors to maintain an optimum level of functioning in the most integrated setting possible and to avoid costly and isolating institutionalization.

Federal and state laws require local efforts to allow seniors to age in the community whenever possible. The City's senior services model is based on widely accepted best practices of diversion from institutionalization and integration within the community to allow seniors to age at home or other unrestrictive community settings whenever possible.

As federal and state funding for case management, hospital diversion, and community integration programs has declined in recent years, the City has stepped forward to sustain these programs through the General Fund.[1] DAAS now administers three case management programs for functionally impaired seniors and younger adults with disabilities. Two other programs that supported seniors in avoiding institutionalization or transitioning from institutions to home stopped operating due to a loss of federal funding and expiration of a court settlement[2]. Funding for the state-funded Linkages

[1] DPH Community Behavioral Health and other services also offer case management to its clients who are mostly MediCal eligible. In FY 2014-15 DPH senior focused programs served approximately 4,000 individuals. As we note, senior clients in the City's various senior services programs do not have a unique identifier, therefore it is not possible to determine to what extent if any, seniors use case management activities offered by different City departments.

[2] The Diversion and Community Integration Program (DCIP) was not funded in FY 2014-15 and the San Francisco Transitional Care Program (SFTCP) was not funded in FY 2015-16.

case management program was transitioned to the General Fund and merged with DAAS' larger case management program in 2010.

As seen in Table 4.1, City funding for case management and transition programs was 65 percent of total funding in FY 2014-15.

Table 4.1 Number of Senior Clients, Funding Sources and Budgets for DAAS Case Management and Transition Programs in FY 2014-15

	Community Living Fund	SF Transitional Care	Case Management	Total
Funding by Source				
Federal	$918,711	$1,062,652	$477,095	$2,458,458
City	2,919,076	58,650	2,288,673	5,266,399
Other	202,840	132,337	0	335,177
Total	**$4,040,627**	**$1,253,639**	**$2,765,768**	**$8,060,034**
Percent of Funding				
Federal	23%	85%	17%	31%
City	72%	5%	83%	65%
Other	5%	11%	0%	4%
No. of Senior Clients	1,097	2,958	1,521	5,576
Ave. Funding per Client	$3,683	$424	$1,818	$1,445

Source: DAAS and HSA

Between FY 2012-13 and FY 2015-16, City General Fund support for case management and transitional care programs increased by 30 percent while federal support decreased by 31 percent, as shown below in Table 4.2. Total funding increased between FY 2012-13 and FY 2015-16 by 24 percent, from $6.9 million in FY 2012-13 to $8.6 million in FY 2015-16.

Table 4.2 Funding Sources for DAAS' Case Management and Transitional Care Programs[3], FY 2012-13 to FY 2015-16

Source	Actual FY 2012-13	Actual FY 2013-14	Actual FY 2014-15	Budget FY 2015-16	% change FY 2012-13 to FY 2015-16
Federal	2,314,366	2,606,859	2,458,458	1,600,251	-31%
General Fund	4,578,886	4,334,525	5,266,399	5,936,732	30%
Other	0	621,153	335,177	1,037,084[4]	67%[5]
Total	**$6,893,252**	**$7,562,537**	**$8,060,034**	**$8,574,067**	**24%**
Clients Served	2,772	4,290	5,576	3,577	29%
Average	$2,487	$1,763	$1,445	$2,397	-4%

Source: DAAS and HSA

[3] These programs are: Case Management, Community Living Fund (CLF) SF Transitional Care Program (SFTCP), and the IHSS Transitional Care Program (CTP)

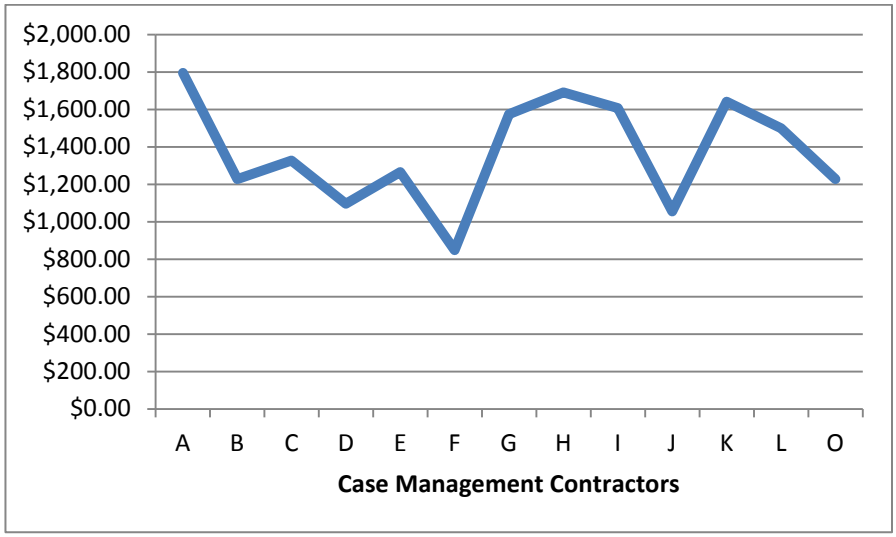
[4] Includes $834,244 in funding for IHSS Care Transition Program, the successor program to the SF Transitional Care Program which ended in fiscal year 2015.

[5] This is percentage change between fiscal years 2013-14 and 2015-16.

Case Management Providers Should Be Evaluated on the Basis of Cost per Client Served and Monitored for Consistent Quality

Currently, DAAS does not include a maximum cost per client, or evaluate proposed costs per client, as part of the Request for Proposal process for selecting case management providers for seniors. Because DAAS does not track actual costs per client for providers, our estimates are based on general estimates and do not reflect indirect/overhead costs for administration. However, using total contracted award amounts and total contracted enrollment numbers, we estimate that for FY 2014-15, the contracted annual costs per client ranged from $848.22 to $1,794.54, as shown in Exhibit 4.1 below.

Exhibit 4.1 Contracted Cost per Client Served for Case Management FY 2015



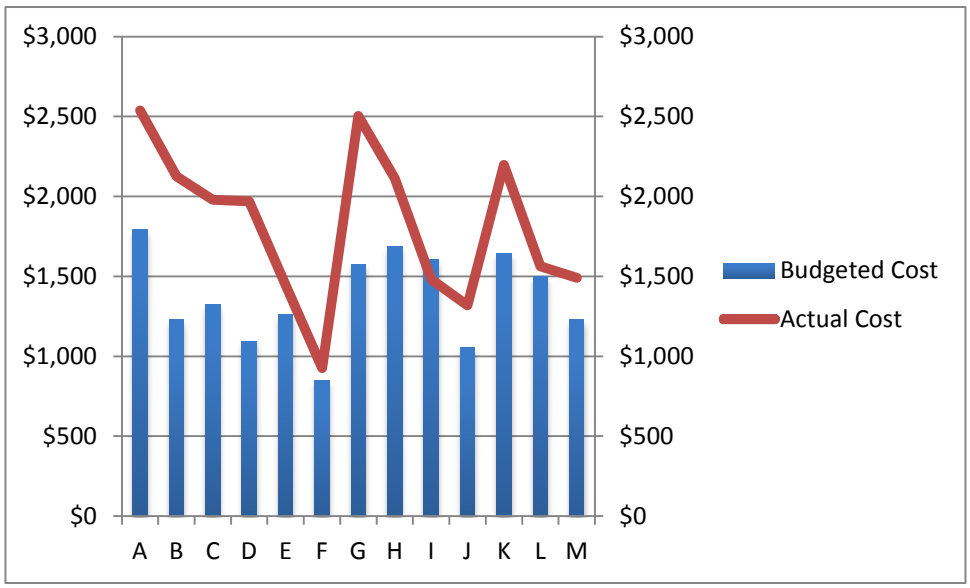
Source: DAAS and HSA

Some of the difference in budgeted cost may be attributable to differences in the populations served such as non-English speaking clients, and health and behavioral health status.

Due to DAAS' inconsistent contract monitoring procedures, case management contractors typically do not meet their enrollment target but exceed their contracted units of service.[6] In FY 2014-15, all but one case management contractor spent more per client than budgeted. Exhibit 4.2 shows spending per actual enrollment ranges from $860 to $2,538.

[6] Calculated as spending per client based on actual expenditures or budgeted amount per case management contract

Exhibit 4.2 Cost per Client Served for Case Management FY 2015



Source: DAAS and HSA

Because actual cost per client is often greater than budgeted, contractors often serve fewer clients than contracted. All but two of the 15 case management contractors served fewer clients than they were contracted to serve in FY 14-15. In fact, in FY 14-15, the contractors served 292, or 17 percent, fewer clients than they were contracted to serve.

> Recommendation 4.1: Before issuance of the next Case Management RFP, the HSA Contracting Unit and DAAS OOA Director and staff, should develop at least one cost measure to be included as a rating criteria for the RFP and include this measure in standard contract monitoring forms.

Case Management Contractors Fail to Achieve Annual Enrollment Target but Exceed Units of Service Targets

According to the Budget and Legislative Analyst's review of case management performance data, most providers fell short of the contracted number of enrollments in FY 2014-15 but exceeded their contractually agreed units of service.

Table 4.3 Variance in Contracted versus Actual Enrollments and Units of Service for 13 Contractors in FY 2014-15

Contractor	Enrollments	Units of Service
A	-30%	-70%
B	-41%	-30%
C	-30%	0%
D	-47%	0%
E	-14%	3%
F	-14%	17%
G	-43%	19%
H	-20%	30%
I	1%	31%
J	-20%	33%
K	0%	42%
L	-4%	69%
M	-19%	117%

Source: DAAS and HSA

DAAS management attributes some of this variance between contracted and actual enrollments and units of service to differences in case complexity for the clientele that the different contractors serve. While this may be true, it renders the contract terms meaningless since the contract budget is based on the number of clients served and the units of service. DAAS must improve the definition of units of service, and ensure that contract terms accurately reflect service delivery expectations so that contractors can be reasonably held accountable for performance.

Recommendation 4.2: Before issuance of the next Case Management RFP, the DAAS director should work with staff to clarify how units of service are defined and how enrollments are projected, so that future contracts can reflect reasonable goals to which contractors can be held accountable.

5 Nutrition Program Service Delivery

To support community living opportunities for seniors, and promote healthy outcomes, the Department of Aging and Adult Services (DAAS) provides nutrition services for seniors. The Department does not currently evaluate cost-per-unit when awarding contracts to nutrition providers, resulting in a wide variance in rates, and potentially reducing the number of clients served. In addition, the Department contracts with a large number of vendors for home-delivered meals, relative to the City's size, and provides insufficient congregate meals to meet the needs of seniors throughout the City's districts.

DAAS Offers Several Services to Support the Nutritional Needs of Seniors

The Department of Aging and Adult Services (DAAS) at the Human Services Agency maintains a Senior Meals program that includes several components:

- congregate meals
- emergency meals
- home-delivered groceries; and
- home-delivered meals.

Federal funding for congregate and home-delivered meals is authorized under Title IIIC of the Older Americans Act. The city and state provide additional funding for these two components. The city is the sole funder of the home-delivered groceries program, which is a relatively new addition.

In order to qualify to receive services from the Senior Meals program, an individual must be 60 years of age and older. While there is no income requirement associated with the program, advertising for meals and groceries is generally targeted to low-income older adults, as well as to minority communities and to elderly individuals at-risk of institutional care.

Access to meals benefits seniors in two important ways: (1) allows them to stay in the home/community; and (2) promotes better physical health outcomes. The 2014 memo on nutrition, referenced in Section 1 of this report, noted the association of poor nutrition with approximately half of health conditions affecting seniors.

According to DAAS,

> "In San Francisco, the high cost of living forces many low-income residents to choose between paying for rent, medications, or food. Concerned about losing housing or having utilities turned off, many low income seniors may reduce costs by cutting out more expensive foods such as fresh vegetables or high protein items."

The document references the total number of individuals on the home-delivered meals waitlist, and it estimates the cost of expanding the program to serve these individuals. It also references a survey conducted by DAAS of community-based organizations that provide home-delivered groceries that showed a total of 10,030 consumers (7,458 seniors and 2,572 adults with disabilities) as being eligible for and in need of this service. It then estimates the cost of expanding the program to serve this population.

DAAS Should Evaluate Cost per Unit During the Contract Awarding Process to Ensure Maximum Efficiency and Service Capacity

Although DAAS' Guiding Principles for Funding (as discussed in Section 2 of this report) indicate that the department will take into account the service units proposed and the cost per unit of service, the ongoing variance in unit costs indicates the need for closer attention.

The cost per unit for home-delivered meals in FY 2015-16, based on May 2016 rates, ranged from $3.83 to $8.18, across the seven different providers, according to DAAS staff.

The lowest contracted rate of $3.83 was provided by the contractor that delivered 84 percent of home-delivered meals in FY 2015-16[1] and received funding from sources in addition to City funding.

If DAAS contracted for all meals by using the lowest contracted rate in FY 2015-16, the Department could have provided an additional 249,260 meals to 341 additional seniors, as shown in Table 5.1 below.

Table 5.1: Additional Home-Delivered Meals Possible at Lowest Rate in FY 2015-16

FY 2015-16 Cost for All Home-Delivered Meals [a]	$6,593,549
Cost per Meal at Lowest Contract Rate	$3.83
Total Meals at Lowest Contract Rate	1,721,553
Less, Number of Contracted Meals in FY 2015-16	(1,472,293)
Additional Meals at Lowest Contract Rate	249,260
Additional Seniors Served at Lowest Contract Rate	341

Source: DAAS and Budget and Legislative Analyst

[a] Includes cost of nutrition compliance
[b] Based on two meals per day for 365 days per year

According to DAAS, the reason for the varying rates per meal is due to the requirements for meals and services tailored to specific communities or food preferences. However, given the larger number of seniors who could be served by contracting with the largest provider, who is able to deliver

[1] The provider delivered 1,235,868 meals out of 1,472,293 total meals at a cost of $4,734,050 ($3.83 per meal).

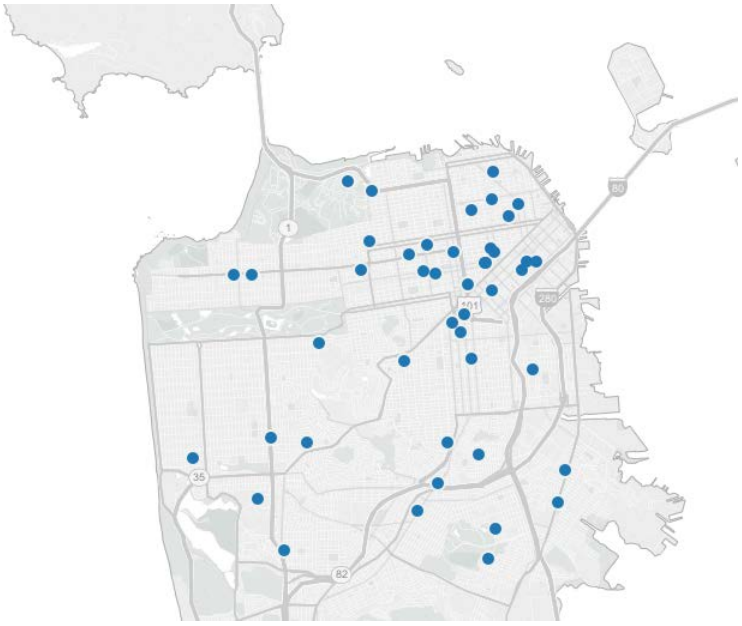
meals at a lower cost per meal, the DAAS Director should evaluate contracting for a larger number of meals through the largest provider.

> Recommendation 5.1: The DAAS Director should review the cost effectiveness of the current contracts for home-delivered meals to determine whether opportunities exist to provide meals at a standardized, lower unit cost.

DAAS Should Ensure Proper Distribution and Location of Congregate Meal Sites to Meet Service Needs

Because access to congregate meals requires that participants have the ability to get to them, the location of these services is critical. Congregate meal sites are distributed throughout the City but most are located in the Downtown (including Chinatown), Civic Center, Tenderloin and South of Market neighborhoods, as shown in Exhibit 5.1 below.

Exhibit 5.1: Map of Congregate Meal Sites

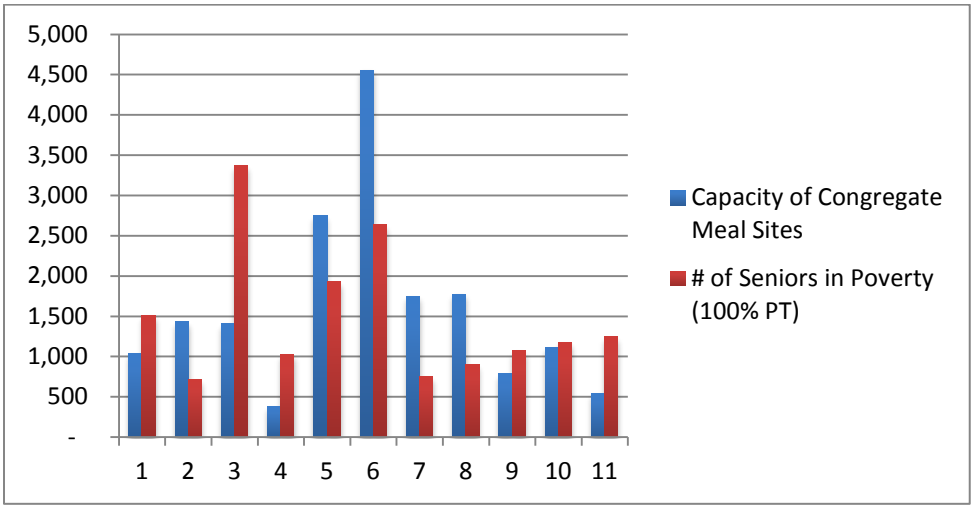


Source: DAAS

According to Census data, the neighborhoods in which more than 10 percent of seniors live in poverty—a key indicator of the need for food assistance—are Downtown/Chinatown/Civic Center, Richmond, Bayview, Castro and Mission neighborhoods. As shown in Exhibit 5.2 below, the capacity[2] of congregate meal sites does not always align with number of seniors living in poverty by District.

[2] "Capacity" is defined as the maximum number of seniors who could receive meals.

Exhibit 5.2: Congregate Meal Sites and Seniors in Poverty by District



Source: DAAS

According to DAAS, the "sheer size of the population in need as well as availability of neighborhood infrastructure for food programs are the likely contributors to these discrepancies."

In addition, DAAS reports that:

> Senior meals funding has fluctuated, but compared to five years ago has remained level. Funding has generally shifted, however, from congregate to home-delivered meals. Between 2006-07 and 2011-12, the funding for congregate meals dropped by 14%, and the number of meals served fell by 8%. Home-delivered meals funding increased by almost 19%, and the number of meals increased by almost 30%.

DAAS recently launched a new initiative to address the need for greater distribution of congregate meal sites called Choosing Healthy Appetizing Meal Plan Solutions for Seniors (CHAMPSS). For this program, which specifically addresses the lack of available spaces for meal programs in certain neighborhoods, DAAS contracts with two restaurants in the Inner Sunset to provide senior congregate meals.

Recommendation 5.2: The DAAS director should work with staff to determine ways to meet congregate meal needs across the City's districts, including the possible expansion of the CHAMPSS program.

Appendix A:
Office on Aging Programs & Expenditures

Program/Service Title	Clients	Total Spending	Funding Source			
			Federal	State	City General Fund	Other
Adult Protective Services (APS)	5,806	$6,746,337	$2,698,535	$2,126,802	$1,921,000	
Community Living Fund (CLF)	1,097	4,040,627	918,711		2,919,076	202,840
County Veterans Service Office (CVSO)	2,265	479,304		52,138	427,166	
In-Home Supportive Services (IHSS)	22,426	390,665,060	199,361,447	116,218,073	75,085,540	
Information and Referral	24,215	1,825,208	912,604		912,604	
Public Administrator	581	1,790,564			1,159,709	630,855
Public Conservator	784	1,544,953	654,930		881,465	8,558
Public Guardian	360	3,134,016			2,405,219	728,797
Representative Payee	1,362	704,220			454,409	249,811
SF Transitional Care	2,958	1,253,639	1,062,652		58,650	132,337
Adult Day Care [OOA]	141	392,143			392,143	
Aging and Disability Resource Center and ADR Connection [OOA]	10,852	588,024	119,075		468,949	
Alzheimer's Day Care Resource Centers [OOA]	88	256,214			256,214	
Case Management (Includes Linkages and Respite) [OOA]	1,521	2,765,768	477,095		2,288,673	
Center For Elderly Suicide Prevention [OOA]	288	272,444			272,444	
Community Services [OOA]	15,080	3,810,283	266,720		3,543,563	
Congregate Nutrition Program [OOA]	13,183	4,954,711	1,611,393	150,516	3,192,802	
Emergency Short-Term Chore Service [OOA]	234	23,900	23,010		890	
Emergency Short-Term Homemaker Service [OOA]	231	23,900	23,010		890	
Emergency Short-Term Personal Care Service [OOA]	239	21,273	20,511		762	
Family Caregiver Supportive Services [OOA]	519	468,711	395,975		72,736	
Forensic Center [OOA]	n/a	84,471			84,471	
Health Promotion: Healthier Living [OOA]	560	104,026			104,026	
Health Promotion: Physical Fitness [OOA]	883	241,087			241,087	
HICAP [OOA]	1,773	421,900	139,507	229,948	52,445	
Hoarders and Clutterers [OOA]	91	226,190			226,190	
Homecare Advocacy [OOA]	n/a	104,744			104,744	
Home Delivered Pantry (OOA)	2,137	870,370			870,370	
Home-Delivered Meals [OOA]	4,485	6,528,174	1,386,784	312,390	4,829,000	
Housing Counseling and Advocacy [OOA]	419	147,583			147,583	
Housing Subsidy [OOA]	30	116,674			116,674	
Legal Services [OOA]	1,601	904,094	333,347		570,747	
LGBT Cultural Sensitivity Training [OOA]	n/a	42,033			42,033	
LTC Consumer Rights [OOA]	424	102,429			102,429	
Medication Management [OOA]	944	89,559			89,559	
Money Management [OOA]	119	97,461			97,461	
Naturalization [OOA]	1,845	639,053			639,053	
Ombudsman [OOA]	2,449	311,027	57,339	25,022	228,666	
Senior Companion [OOA]	5	22,984			22,984	
Senior/Disability Empowerment [OOA]	250	183,519			183,519	
Services Connect Program [OOA]	2,284	639,450			398,908	240,542
SF Connected [OOA]	1,709	771,732			771,732	
SNAP-Ed [OOA]	490	17,971	17,971			
Transportation (MTA work order) [OOA]	1,195	808,375	227,663		580,712	
Village Programs [OOA]	469	275,000			275,000	
Total	**128,392**	**$439,511,205**	**$210,708,279**	**$119,114,889**	**$107,494,297**	**$2,193,740**

Appendix B:
Survey Results

Survey Question	San Diego	San Bernardino	Kern	Alameda	Los Angeles	Santa Clara	San Francisco
Does your jurisdiction have a dedicated source of funding, such as taxes or other revenues, set aside by statute for senior services?	No	Yes	No	Yes	Yes	Yes	No
If yes, please describe.	n/a	Title III OOA funds are dedicated to seniro services. In addition, the County sets aside general funds in the amount of $651,566 for III-C2, $174,400 for Area Plan Administration, and $106,000 for IIIE match		We have an ordinance that provides for funding of the Linkages program through parking fees, but other than that, do not have a separate statute.	The Linkages Program, a comprehensive case management program, was formerly funded through Title IIIB of the OAA. However, it is not fully funded through AB764, disabled parking fees.	Measure A sales tax revenue. 9.6M set aside for supportive services. 4.5M used for Senior Transportation & Long-term case management.	
Does your County have a strategic plan (other than the State-mandated Area Plan) for senior services?	Yes	No	No	Yes	No	Yes	Yes
If yes, please provide a copy or link to the document.	AIS Strategic Plan (will forward copy)			We are working on a County wide plan for Seniors, to be published in May 2016		https://www.sccgov.org/sites/ssa/daas/Documents/2012_04_quality_of_life.pdf	
Does your County conduct a gap analysis of senior services to assess unmet needs across different programs? By "gap analysis", we mean an analysis of population data compared to services funded in order to identify where additional resources are needed.	No	No	No	No	Yes	Yes	No
If yes, please provide a copy of the most recent report.	n/a				Formal reports are not developed when a gap analysis is done for specific programs.	https://www.sccgov.org/sites/dpd/DocsForms/Documents/HealthElement_20150825_Adopted_Final.pdf	
Is cost per unit of service a rating criteria in the evaluation of RFP responses for any of your contracted services for seniors?	No	Yes	No	Yes	Yes	No	Uncertain
If yes, please identify which services.	n/a	Title IIIC 1 and 2		In the sense that we establish a cost of unit in the RFP, so contractors must meet that requirement	Elderly Nutrition Program, Supportive Services Program, Family Caregiver Support Program, Linkages, Traditional Legal Assistance Program		
For senior services, do you typically contract with: - single lead agency - between 2 and 10 providers - more than 10 providers - other (please specify)	more than 10	Between 2 and 10 providers	Between 2 and 10 providers	More than 10 providers	More than 10 providers	Between 2 and 10 providers	Five to 10
Does your County use some form of case conferencing (including electronic records) to share client-level data between local government agencies and/or nonprofit contractors?	No	Yes	Yes				No
If yes, please describe briefly how this is done and what information is shared/reviewed.	n/a	Contractors purchase licenses for our SAMS case management system. Client data, including demographics, veteran status, gender, race, and services accessed are available.	Harmony SAMS		No		No
If yes, please include a description of any outcome measures that are tracked.	n/a	Service units	Services performed and clients served if appropriate				

Survey Question	San Diego	San Bernardino	Kern	Alameda	Los Angeles	Santa Clara	San Francisco
Have long term support services agencies who serve seniors in your County formed a long term support services network to contract with payers (such as insurance companies) or private/public health care delivery systems?	Yes	Don't Know	No	Yes	Don't Know	Don't Know	Yes
If yes, does this network use a: - lead agency - management services organization - other (please specify)	Lead Agency			Collaborative model, with the lead for particular projects determined			
What is the entity called?	LTCIP			We do not have a separate entity			
When was the entity formed?	1999						
What payers does the network contract with?	Hospitals and Managed Care Health Plans.			In 2017, Public Health will contract (through an MOU) with the AAA to provide funding for senior services			
What services are included?	Care management and care transition support, including the evidence-based Care Transition Intervention (CTI) Program and the provision of care coordination with wrap around social supports for high risk patients			Senior injury prevention and nutrition			
How many vendors does your Area Agency on Aging (or the agency responsible for senior services) s use for case management services?	26	2	1	3	21	Sourcewise, in Santa Clara County, is the best agency to answer this question.	15
If more than one vendor, did the most recent RFP include a minimum score requirement for vendors to be awarded a contract?	No	Don't Know	Yes	Yes	Yes	Don't Know	No
In scoring responses to case management RFPs, is cost per unit of service a rating / scoring criteria?	No	No	No	Yes	Yes	Don't Know	Uncertain
How many contractors does the County use to provide home-delivered meals?	13	3	1	7	16	1	5
How many contractors does the County use to provide congregate meals?	18	8	2	6	19	20	7
If your County contracts with multiple providers for each or both home-delivered or congregate meals, please explain the reason for doing so.	Large geographic area to serve, with multiple cities and urban/rural considerations and the ability of providers to serve various components.	San Bernardino County is the largest geographical county in the U.S. With such a large service area, no one provider has ever bid on the entire County.	More cost effective for providers to provide service then the County	We do not have vendors with the capacity to prepare meals for the entire county	To better serve the various communities within the County	The County of Santa Clara contracts with Community-Based Organizations and Municipalities to run the County's congregate nutrition sites. Since these CBOs and Municipalities are rooted in their communities (some for many years), they have the knowledge and expertise to better serve the local population.	Want to provide multiple meal types in multiple communities.
At how many sites were congregate meals served to your seniors in FY 2014-15?	41	36	21	37	105	39	46
What is the range of the unit costs (lowest to highest) across your providers for home-delivered meals?	$4.60 - $5.60	$5.41 - $5.96	$5.47-$9.62	$4.40 - $5.04	$3.95 - $5.65	$8.68 to $12.84	$3.29 to $6.185

Survey Question	San Diego	San Bernardino	Kern	Alameda	Los Angeles	Santa Clara	San Francisco
What is the range of the unit costs (lowest to highest) across your providers for congregate meals?	$4.89 - $5.94	$5.81 - $8.61			$3.25 - $5.65	$5.29 - $5.61	$3.15 to $7.87
Do you have providers specifically for ethnic meals?	Yes	No	No	Yes	Yes	Yes	Yes
If yes, what type(s) of ethnic meals do they provide?	Kosher and Korean			Japanese	Indian, Kosher, Chinese, Cambodian, Thai, Korean, Mexican	Chinese, Indian, Portugese	Chinese, Filipino, Japanese, Kosher, Latino, Russian and modified diets
Does your County offer vocational or job training programs for seniors?	Yes			Yes		Don't Know	No
If yes, please describe the program(s) briefly.	SCSEP – Federal subsidy program for low income work participants.			Title V SCEP	Title V Senior Community Service Employment Program	Sourcewise, in Santa Clara County, is the best agency to ask this.	
If yes, what amount is budgeted for the program(s) annually?	$ 500,000			$117k	$ 1,770,430		
If yes, what are the funding sources (General Fund, State funds, Federal funds, grant funding, private donations)?	Older Americans Act, Title V.			Federal Funds - the AAA does not retain any admin	Federal Funds		

Attachment: Department Response

City and County of San Francisco

Edwin M. Lee, Mayor

Human Services Agency
Department of Aging and Adult Services

Shireen McSpadden, Executive Director

July 13, 2016

Severin Campbell
San Francisco Board of Supervisors
Budget and Legislative Analyst's Office

RE: Performance Audit of Senior Services in San Francisco

Dear Ms. Campbell:

As the City agency that administers social services for seniors and adults with disabilities, the Department of Aging and Adult Services (DAAS) appreciates the efforts of the Budget and Legislative Analyst in conducting the Performance Audit of Senior Services in San Francisco and welcomes the opportunity to comment on the report.

One in four San Francisco residents is a senior or adult with disability. The senior population alone is projected to reach 250,000 people by 2030. DAAS currently serves over 50,000 seniors and adults with disabilities per year. Ensuring that we have the capacity to fully assess needs, evaluate program performance, and develop effective contracts is imperative to support the current population and future growth. Over the last decade, the Office on Aging (OOA) funding has grown by $14.98 million (79%), allowing the program to double its client capacity and serve over 27,000 individuals last year.

Overall, DAAS agrees with all of the Report's recommendations in concept. We are pleased to find that many of the issues highlighted in the Report coincide with improvement efforts currently underway at DAAS and the Human Services Agency (HSA). These improvements include: hiring additional planning staff to support expanded needs assessment analysis; developing enhanced waitlists to better track unmet need and improve client experience; bolstering existing training and materials related to contract monitoring; and developing more meaningful and reasonable standards and protocol for the Office on Aging (OOA) case management program. The Report confirms the importance of these efforts and provides helpful suggestions for this work.

DAAS appreciates the values underlying the recommendations related to cost efficiencies and agrees that cost must be a key consideration for any agency responsible for allocating public funding. At the same time, DAAS recognizes the importance of providing culturally competent service in order to effectively reach all communities in need. The diversity of the San Francisco population is reflected in its seniors and adults with disabilities, and DAAS is fortunate to have the opportunity to partner with agencies that mirror the diversity of our client population. Both of these priorities are well reflected in the funding allocation for home-delivered meals, the program at the heart of these

recommendations. DAAS allocates the majority of funding to the agency with the lowest cost but also contracts with smaller providers with strong connections to San Francisco's culturally diverse communities.

This Report is particularly timely in light of the Dignity Fund Charter amendment expected to go before voters in the November election. If passed, the amendment will provide steady funding increases over the coming years. It is imperative that DAAS and HSA have effective infrastructure prepared to support and evaluate funding allocation. The proposed amendment also prescribes enhanced needs assessment and planning processes that will further deepen our understanding of population needs and provide additional transparency regarding the link between funding decisions and unmet need.

Thank you again for the opportunity to respond to this Report.

Sincerely,

Shireen McSpadden
Executive Director
Department of Aging and Adult Services

Daniel Kaplan
Deputy Director of Finance and Administration
Human Services Agency

BLA Recommendation		DAAS & HSA Comments
1.1	The DAAS Director should work with the HSA Director of Administration to identify sufficient planning and analytical resources to enable a summary gap analysis for each service area included in future Needs Assessments.	Needs assessment analysis is vital to developing DAAS priorities, program planning, and allocating resources. The DAAS Needs Assessment has been significantly expanded since the 2005 audit. We agree that further expansion of these efforts to deepen our understanding of population needs is a worthwhile goal. In the FY 16/17 budget, HSA requested two analyst positions that will enhance planning support for DAAS. If the Dignity Fund Charter amendment is passed by voters in November, additional resources will be made available to further support these efforts. We also recognize that gaps analysis presents methodological challenges and plan to work with the community and City Hall to develop an appropriate approach.
1.2	The DAAS Director should identify opportunities to use existing data resources, including SF GetCare, more effectively to centralize and manage the waitlist information.	DAAS shares this goal of better gauging need in the community. We are working with the Office on Aging (OOA) database vendor (RTZ Associates) to develop a universal waitlist platform capable of supporting any OOA service. Most immediately, new and improved waitlists for home-delivered meals and case management will launch in the Fall of 2016. To clarify two incongruities in this section: BLA suggests waitlists should attempt to estimate all potential need, including persons who have not requested service. That is the role of gaps analysis, not a functional waitlist tool used by service providers. Regarding the emergency home-delivered meals: Cuisine preference can factor into wait time for regular home-delivered meal service but emergency requests are served right away. Hospitalized clients may remain on the emergency waitlist if an imminent discharge is pushed back slightly but referrals will be taken off the list if discharge is significantly delayed.
1.3	DAAS should increase the amount of community outreach that it conducts while creating the Needs Assessment document. At least one community forum should be held in each of the 11 supervisorial districts, which would increase the total number of individuals participating by approximately 400.	To gauge need, DAAS and HSA want to hear from a robust and representative sample of people. This will be achieved through a variety of strategies, including but not limited to focus groups, forums, surveys, and interviews. Getting broad geographic representation will be a part of our plan.

BLA Recommendation		DAAS & HSA Comments
1.4	The DAAS Director should incorporate the improved needs assessment, as recommended in 1.1, to prioritize the service areas and allocate funding.	DAAS agrees that needs assessment analysis is valuable for informing resource allocation. While we have always allocated resources with a reference to perceived needs, a richer dataset and fuller analysis will only improve this process.
2.1	For each NOFA or RFP, all criteria used to evaluate the proposals should be listed and assigned a quantitative weight for scoring. If additional factors are considered in the review, DAAS should work with HSA to document how those factors impacted the final funding decision.	DAAS and HSA agree that the process for allocating funding should be clearly articulated and related to client need and program design.
2.2	The DAAS Director should evaluate the potential efficiency gains from limiting the number of contractors, and evaluating cost per unit.	DAAS and HSA agree internal capacity and efficiency should be a factor for consideration in contracting decisions. We also note that San Francisco's senior population is incredibly diverse, and it is also important to fund culturally competent service in order to reach all communities with unmet need for service.
2.3	The Mayor's Director of Public Policy and Finance should work with DAAS in preparation of the annual budget to ensure that program priorities are reflected in the annual budget, rather than supplemented through the add-back process.	DAAS and HSA will continue to work with the Mayor's Budget Office to create a budget that reflects the needs of the community.
3.1	The DAAS Director should ensure that the OOA Manager develops a written contract monitoring manual that sets the standard for annual contract assessment and follow up.	DAAS and HSA have begun and will continue to evaluate program monitoring approaches and will continue to train program staff on using consistent and well documented methods of program monitoring. The HSA Contract Monitoring and Performance Analyst is currently revising the agency's written manual that covers these topics.
3.2	The DAAS Director should ensure that the OOA Manager develops training procedures and requirements, and implements an annual training calendar for ongoing tracking and monitoring.	DAAS and HSA are committed to training staff on monitoring procedures and requirements. In recent years, HSA developed a lead Contract Monitoring and Performance Analyst position in part to provide exactly this type of support agency wide. As a supplement to existing trainings, this analyst has developed a special training series on contracting processes that will be offered this summer and attended by OOA staff (in addition to other HSA employees).

BLA Recommendation		DAAS & HSA Comments
3.3	The DAAS Director should specify in the contract monitoring manual noted in Recommendation 3.1 the expectation for staff members to meet contract monitoring schedules and include the meeting of the contract monitoring schedules in each staff member's annual performance evaluation.	Consistent monitoring and documentation are important components of evaluating service provision. DAAS and HSA have been working to improve these processes. This improvement is supported by the HSA Contract Monitoring and Performance Analyst, who participates in monthly meetings of OOA, Contracts, Planning, and Budget staff and provides guidance related to the agency's online contractor reporting module (CARBON database).
3.4	The DAAS Director should develop a regular reporting tool for OOA staff to document and present program performance, including completion of contract monitoring, site visits, and status of contract performance findings.	Office on Aging staff will continue to communicate with the DAAS Executive Director regarding contractor performance.
3.5	To prepare to adopt and implement the Controller's recommendations for new performance measures, the DAAS Director should: (1) ensure that all staff, particularly at OOA, are trained in GetCare; and (2) assess technical assistance and training needed to ensure contractor compliance.	DAAS will continue to ensure all of its staff and contractors who use its databases are trained. The OOA database vendor is funded to provide ongoing trainings, as well as on-demand technical assistance.
4.1	Before issuance of the next Case Management RFP, the HSA Contracting Unit and DAAS OOA Director and staff, should develop at least one cost measure to be included as a rating criteria for the RFP and include this measure in standard contract monitoring forms.	DAAS and HSA agree that cost comparison is an important factor to consider in evaluating proposals and awarding contracts. Rating criteria that cover reasonable costs and cost allocation, as well as competitive costs, will be included in the next case management RFP.
4.2	Before issuance of the next Case Management RFP, the DAAS director should work with staff to clarify how units of service are defined and how enrollments are projected, so that future contracts can reflect reasonable goals to which contractors can be held accountable.	DAAS also identified this need and has been working with a provider workgroup for several months to review existing contract and performance standards and to develop more meaningful and reasonable goals. Case management contracts coming out of the next RFP issuance will include these new measures.

BLA Recommendation		DAAS & HSA Comments
5.1	The DAAS Director should review the cost effectiveness of the current contracts for home-delivered meals to determine whether opportunities exist to provide meals at a standardized, lower unit cost.	DAAS and HSA agree that cost is an important consideration in allocating funding. This commitment is reflected in the funding for home-delivered meals -- the majority (84%) is allocated to the agency with the lowest per meal rate. Having said that, we caution against over relying on cost in allocating meal funding. Only one agency is able to provide meals at the low end of the cost range cited in the report. This agency subsidizes its meal rate with non-City funding, and it is unclear that this low rate could be sustained if contracted for all DAAS meals. It is also possible for higher costs to have a reasonable and compelling justification. In this case, the higher cost meals include specific cuisines preferred by the diverse senior population and are provided by agencies with strong connections to harder to reach communities. These contracts support the Older Americans Act mandate to target services to minority communities.
5.2	The DAAS director should work with staff to determine ways to meet congregate meal needs across the City's districts, including the possible expansion of the CHAMPSS program.	DAAS agrees with the goal of expanding congregate meal service and developing newer models, such as the CHAMPSS program, to further meet the needs of low-income seniors and adults with disabilities throughout the city.