



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: ADMHS
Department No.: 043
For Agenda Of: 12/2/14
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Takashi Wada, MD, MPH, Interim Director
Director(s) Alcohol, Drug and Mental Health Services
Contact Info: Chris Ribeiro, Interim CFO, Finance 805-884-1694

SUBJECT: State Contract for Alcohol and Drug Program Services, FY 14-17

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

1. Approve and authorize the Director of Alcohol, Drug and Mental Health to execute the multi-year combined Negotiated Net Amount (NNA) and Drug Medi-Cal revenue agreement and subsequent amendments with the State Department of Health Care Services and California State Department of Alcohol and Drug Programs for substance use disorder services in the amount of \$15,488,295, for the period of July 1, 2014 to June 30, 2017.
2. Determine that the above actions are government fiscal activities or funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and are therefore not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(4) of the CEQA guidelines.

Summary Text:

This multi-year revenue contract allows Alcohol, Drug, and Mental Health Services (ADMHS) Alcohol and Drug Program (ADP) to receive reimbursement from the State Department of Health Care Services (DHCS) for services the department is mandated to provide to residents of Santa Barbara County. The new three-year contract provides Santa Barbara County's maximum annual allocation for each fiscal year, made up of a combination of State and Federal funding. These funds are already reflected in

ADMHS' FY 14-15 budget, and will be included in future year budgets. Beginning in 2014, DHCS has required formal Board authorization prior to disbursing funds to the County. During each fiscal year, the contract is subject to multiple adjustments by State DHCS, based upon funding and actual utilization of services by Santa Barbara County residents.

Background: State DHCS allocates State and Federal revenue to counties for the provision of substance abuse prevention and treatment services. The annual contract maximum of \$5,162,765 for FY 2014-2015 through 2016-2017 is based on the Governor's Preliminary Budget Allocation for FY 14-15. This amount will be revised throughout each year of the three-year term of the contract by State ADP to reconcile funding and actual services provided to Santa Barbara County residents. The total amount that will actually be reimbursed to ADMHS will depend upon actual services provided to residents.

The FY 14-15 funding allocation of \$5,162,765 provides \$2,523,126 for NNA non-Drug Medi-Cal services (prevention and treatment services) and \$2,639,639 for Drug Medi-Cal services. The contract lists the terms and conditions by which State and Federal funding is made available and provides the specific requirements for reimbursement of alcohol and drug prevention and treatment services. ADMHS is mandated by the California Health and Safety Code to provide services to individuals with substance abuse issues in Santa Barbara County; this contract provides ADMHS and its contracted providers reimbursement for those services.

Approval of the recommended action will authorize ADMHS' ADP Division to receive reimbursement for services provided to individuals with substance abuse issues throughout Santa Barbara County. ADP services delivered through contracted service providers include:

- Outpatient treatment services including individual and group counseling, and youth and family treatment programs.
- Residential detoxification provides a short term living environment to help clients safely withdraw from alcohol and/or other drugs and stabilizes clients to achieve abstinence from alcohol or other drugs.
- Perinatal treatment services including individual and group counseling for pregnant and parenting women, transitional living, and perinatal and residential programs services.
- Prevention Programs provide early intervention, outreach and mentoring services to youth at high risk for developing, or with existing, substance abuse issues. The majority of prevention funding is directed toward Primary Prevention strategies which address the entire population (national, local community, school, and neighborhood) with messages and programs aimed at preventing or delaying the abuse of alcohol, tobacco, and other drugs. Some Secondary Prevention services such as school-based counseling and mentoring are provided to individuals.

Performance Measure:

Approval of the recommended action will enable ADMHS and its subcontractors to receive reimbursement for services provided to individuals with substance abuse issues throughout Santa Barbara County through June 30, 2017.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State	\$ 171,896.00		
Federal	\$ 4,990,869.00		
Fees			
Other:			
Total	\$ 5,162,765.00	\$ -	\$ -

Narrative: This multi-year contract provides preliminary allocation of NNA and DMC revenue funds based upon the Governor's Preliminary Budget for FY 14-15. The annual provisional maximum reimbursement amount of this multi-year agreement will be subject to annual adjustment based on the final State ADP allocation. The FY 14-15 State and Federal revenue anticipated is identified in ADMHS' FY 2014-2015 Preliminary Budget, Federal and State Revenues. Approval of the recommended action will not increase the use of general fund dollars by the ADMHS Department.

Key Contract Risks:

This contract with the State allocates Federal funds to ADMHS which are used to fund Alcohol and Drug Program services. The contract passes on to the County the responsibility to repay any audit exception taken by the Federal government, the State or the California State Auditor. The contract also imposes procedural and reporting requirements implemented by ADMHS that could be subject to audit in the future. ADMHS contracts include language requiring contractors to repay any amounts disallowed in audit findings, minimizing financial risks to County.

Special Instructions:

Please email (1) copy of the minute order by **December 9, 2014** gilopez@co.santa-barbara.ca.us and interoffice to:

Alcohol, Drug, and Mental Health Services
 ATTN: Contracts Office
 300 North San Antonio Road, Bldg. 3
 Santa Barbara, CA 93110

Attachments:

Substance Use Disorder (SUD) FY 14-17

Authored by:

Q.Lopez