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**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Director of Mental Health

**SUBMITTAL DATE:** May 14, 2003

**SUBJECT:** Ratify the First Amendment for the FY 2002/2003 Negotiated Net Amount (NNA) Drug Medi-Cal (DMC) Agreement (COUNTY33) with the State Department of Alcohol and Drug Programs and Approve Resolution Number 2003-227. ALL DISTRICTS.

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

1. Approve the First Amendment for the FY 2002/2003 Net Negotiated amount Drug/Medi-Cal Agreement with the State Department of Alcohol and Drug Programs (ADP) and authorize the Chairman of the Board to sign the Agreement.
2. Approve Resolution Number 2003-227.

**BACKGROUND:**

On June 19, 2001 item 3.36 the Board approved a four (4) year contract from FY 2001/02 through 2004/05 for the NNA of the Medi-Cal and Non-Medical funded County Substance Abuse Program. This is the first amendment to the FY 2002/2003 portion of the agreement with the State.

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**THIS AGREEMENT HAS BEEN FORM APPROVED BY COUNTY COUNSEL.**

*John J. Ryan*  
John J. Ryan, Director  
Department of Mental Health

BY JJR:PLR

	FY 2002/03		
<b>CURRENT YEAR COST:</b>	\$14,162,209	<b>ANNUAL COST:</b>	N/A
<b>NET COUNTY COST:</b>	\$ 131,787	<b>IN CURRENT YEAR BUDGET:</b>	Yes
		<b>BUDGET ADJUSTMENT:</b>	No

**SOURCE OF FUNDS: FEDERAL 70.05% STATE 20.42% MEDI-CAL 8.61% COUNTY .92%**

**C.E.O. RECOMMENDATION :**

**APPROVE**

County Executive Officer Signature *Roger Umsted*

FORM APPROVED  
COUNTY COUNSEL  
MAY 21 2003

Policy  
 Policy

Consent  
 Consent

Department Recommendation:  
Per Executive Office:

**SUBJECT:** Ratify the First Amendment for the FY 2002/03 Negotiated Net Amount Drug/Medical Agreement (COUNTY33) with the State Department of Alcohol and Drug Program and Approve Resolution Number 2003-227

**BACKGROUND CONT'D**

Beginning with FY 1998/99, a three-year contract through FY 2000/01 was implemented which contains preliminary allocations based on the Governor's Budget. The state's goal is to streamline the contract process to facilitate the implementation of AB 2071 and at the same time, maintain the services and funding level with as little interruption as possible. AB 2071, which was chartered as AB 1027 on September 29, 1996, provides administrative restructuring of procedural changes imposed upon the State Department of Alcohol and Drug Programs. One of these procedural changes was to process the initial contract by July 1<sup>st</sup> of each year. After the initial contract, the State issues subsequent contract amendments, which contain the detailed budget at the modality, service code, and provider level. Amendments are based on each County's actual need for funding.

The Department of Mental Health submitted the estimated V.1 budget for FY 02/03 to the State on December 10, 2002. The State finalized its budget allocations for FY 2002/03 in April 2003 resulting in the First Amendment that is now being submitted to the Board for approval.

The FY 2002/03 V.1 Amendment reflects a decrease in State General Funds of \$371,240; a decrease in Federal Block Grant Funds of \$189,649; and a decrease in Medi-Cal FFP funds of \$51,938, for a total decrease amount of \$612,827.

FY 2001/02 contract amendment comparison is based on Federal/State allocation:

<b>Amendments</b>		<b>Maximum Contract Amount</b>
Allocations	(01/02) V.2	\$14,775,036
	(02/03) V.1	\$14,162,209
<b>Decrease FY 02/03 Allocation (V.2 vs. V.1)</b>		<b>(\$612,827)</b>

The decrease in allocation will be absorbed using unspent Federal Allocation roll-over from FY 2002/03. Substance Abuse services will continue uninterrupted. Services will be provided to Medi-cal beneficiaries, which include the County Alcohol and Drug Programs. Eligible services include; Prevention, Outpatient Drug Free, Narcotic Treatment Program, Day Care Habilitative, and Residential Service.

The period of performance for this agreement is July 1, 2002 through June 30, 2003.

There are sufficient funds in the Department's Substance Abuse budget to provide for the required County Match; no additional funds are required.