

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

790



FROM: Director of Mental Health

SUBMITTAL DATE:
May 28, 2004

SUBJECT: Ratify the First Amendment for the FY 2003/2004 Negotiated Net Amount (NNA) Drug Medi-Cal (DMC) Agreement (County 33) with the State Department of Alcohol and Drug Programs. ALL Districts

RECOMMENDED MOTION: Move that the Board of Supervisors:
Approve the First Amendment for the FY 2003/2004 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.

BACKGROUND: On June 19, 2001, item 3.36, the Board approved a three (3) year contract from FY 2001/2002 through 2003/2004 for the NNA of the Medi-Cal and Non-Medi-Cal funded County Substance Abuse Program. This is the first amendment to the FY 2003/2004 portion of the agreement with the State.

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Departmental Concurrence

JJR:JT

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

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 14,168,836	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 90,408	Budget Adjustment:	NO
	Annual Net County Cost:	N/A	For Fiscal Year:	2003/04
SOURCE OF FUNDS: Federal 72.12%, State 17.74%, Medi-Cal 9.51%, County 0.63%			Positions To Be Deleted Per A-30	<input type="checkbox"/>
			Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Dan Marting

FORM APPROVED COUNTY COUNSEL

MAY 25 2004

BY *John J. Ryan*

Consent
 Policy
 Dept's Recomm.:
 Policy
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.36 of 6/19/01

District: All

Agenda Number:

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.33

SUBJECT: Ratify the First Amendment for the FY 2003/2004 Negotiated Net Amount Drug Medi-Cal Agreement (County 33) with the State Department of Alcohol and Drug Programs.

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 1st 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 03/04 to the State on November 17, 2003. The State finalized its budget allocations for FY 2003/04 in April 2004 resulting in the First Amendment that is now being submitted to the Board for approval.

The FY 2003/04 V.1 Amendment reflects a decrease in State General Funds of \$405,509; an increase in Federal Block Grant Funds of \$205,142; and an increase in Medi-Cal FFP funds of \$116,586, for a total decrease amount of \$83,781. The 66.6% decrease in the State General Fund allocation resulted per notification from the State Department of Alcohol and Drug Programs, letter issue no. 03-8. The decrease in allocation will be absorbed using unspent Federal Allocation roll-over from FY 2002/03.

FY 2003/04 contract amendment comparison is based of Federal/State allocation:

Amendments		Maximum Contract Amount
Allocations	(01/02) V.2	\$14,775,036
	(02/03) V.1	\$14,162,209
	(03/04) V.1	\$14,078,428
Decrease FY 03/04 Allocation (V.1 vs. V.1)		(\$83,781)

Substance Abuse services will continue uninterrupted. Services will be provided to Medi-Cal beneficiaries and consumers of Riverside County's Substance Abuse Program. Eligible services include: Prevention, Outpatient Drug Free, Narcotic Treatment Program, Day Care Habilitative, and Residential Services.

The period of performance for this agreement is July 1, 2003 through June 30, 2004.

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