

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

922



**FROM:** Director of Mental Health

**SUBMITTAL DATE:**  
**August 17, 2004**

**SUBJECT:** Ratify the Second 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.

**RECOMMENDED MOTION:** Move that the Board of Supervisors:  
Ratify the Second 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 four (4) year contract from FY 2001/2002 through 2004/2005 for the NNA of the Medi-Cal and Non-Medi-Cal funded County Substance Abuse Program. This is the second amendment to the FY 2003/2004 portion of the agreement with the State.

Departmental Concurrence

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.THIS AGREEMENT HAS BEEN FORM APPROVED BY COUNTY COUNSEL.

JJR:RS

*[Handwritten Signature]*  
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John J. Ryan, Director  
Department of Mental Health

<b>FINANCIAL DATA</b>	<b>Current F.Y. Total Cost:</b>	\$ 14,253,749	<b>In Current Year Budget:</b>	YES
	<b>Current F.Y. Net County Cost:</b>	\$ 90,408	<b>Budget Adjustment:</b>	NO
	<b>Annual Net County Cost:</b>	N/A	<b>For Fiscal Year:</b>	2003/04
<b>SOURCE OF FUNDS:</b> Federal 72.58%, State 17.49%, Medi-Cal 9.29%, County 0.64%				<b>Positions To Be Deleted Per A-30</b> <input type="checkbox"/>
				<b>Requires 4/5 Vote</b> <input type="checkbox"/>

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

**APPROVE**

**County Executive Office Signature**

*[Handwritten Signature: Don Matting]*

- Dep't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:** 3.36 of 6/19/01  
3.34 of 6/8/04

**District:** All

**Agenda Number:**

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

3.42

**SUBJECT:** Ratify the Second 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 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.

An agreement for FY 03/04 was generated by the State based upon a November 17, 2003 budget submission. This first amendment was approved by the Board on June 8, 2004, Agenda #3.34. The State finalized its budget allocations for FY 03/04 in July 2004 resulting in the second amendment. The second amendment is now being submitted for Board approval as the Department just received it from the State the end of July 2004.

The variance between revisions is listed below:

Amendments		Maximum Contract Amount
Allocations	(03/04) V.1	\$14,078,428
	(03/04) V.2	\$14,163,341
<b>Increase FY 03/04 Allocation (V.1 vs. V.2)</b>		<b>\$84,913</b>

Source of Funds	NNA V.1	NNA V.2	Variance
State General Funds	\$2,513,202	\$2,493,606	(\$19,596)
Federal Block Grant	\$10,218,270	\$10,345,139	\$126,869
Medi-Cal Funds (FFP)	\$1,346,956	\$1,324,596	(\$22,360)
<b>Total</b>	<b>\$14,078,428</b>	<b>\$14,163,341</b>	<b>\$84,913</b>
Net County Cost	\$90,408	\$90,408	\$0
<b>Total Including NCC</b>	<b>\$14,168,836</b>	<b>\$14,253,749</b>	<b>\$84,913</b>

The FY 2003/04 V.2 Amendment reflects a decrease in State General Funds of \$19,596 and Medi-Cal funds of \$22,360, but is offset by an increase in Federal Block Grant Funds of \$126,869 for a total increase amount of \$84,913.

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.

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