

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

277



FROM: Department of Mental Health

SUBMITTAL DATE:

June 14, 2012

SUBJECT: Approve Budget Adjustment for Riverside County Department of Mental Health.
(ALL DISTRICTS)

RECOMMENDED MOTION: Move that the Board of Supervisors approve and direct the Auditor-Controller to make a budget adjustment as outlined in the attached "Schedule A" to allow for additional financial provisions for contractor payments for FY 2011/2012.

BACKGROUND: On June 2, 2009, Agenda Item 3.58, the Riverside County Board of Supervisors originally approved Negotiated Net Amount (NNA) and Drug Medi-Cal (DMC) contracts for the Riverside County Department of Mental Health (RCDMH), Substance Abuse Program for FY 2009/2010. The Board also authorized the Riverside County Purchasing Agent to increase, decrease and/or amend the NNA/DMC contracts as needed while staying within the Board approved aggregate of \$11,495,859; and authorized the Purchasing Agent to annually renew these agreements through June 30, 2013. **(Continued on Page 2)**

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY *Samuel Wong* 6/14/12
 SAMUEL WONG
 for Departmental Conference

JW:SL:AM:PG:JZ

Jerry Wengerd

 Jerry Wengerd, Director
 Department of Mental Health

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,004,651	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	YES
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/2012

SOURCE OF FUNDS: 30% Federal and 70% State	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: *Debra Cournoyer*
 Debra Cournoyer

Policy
 Policy
 Consent
 Consent

Dep't Recomm.:
 Per Exec. Ofc.:

PAGE 2:

SUBJECT: Approve Budget Adjustment for Riverside County Department of Mental Health.
(ALL DISTRICTS)

BACKGROUND (CONTINUED):

Since FY 2009/2010, in order to effectively manage its Program Budget, the RCDMH has consistently monitored service performance and billing, and has subsequently been able to budget for services and provider payment while staying within the Board approved aggregate amount of \$11,495,859. However, recently the department experienced some substantial upward trends in provider services in association with Drug Medi-Cal (DMC) Adolescent and Minor Consent services as funded under the departments current Negotiated Net Amount/ Drug Medi-Cal (NNA/DMC) contract with the State Department of Alcohol and Drug Programs (ADP). The significant increases to DMC and Minor Consent services now requires the RCDMH to make modifications to some of its existing NNA/DMC provider service agreements, and the RCDMH's Program Budget in order to make financial provisions for the services that have and will be rendered to NNA/DMC beneficiaries in FY 2011/2012.

Based upon the Sobkey vs. Smoley lawsuit settlement in 1994, the County is considered an agent of the State with respect to the administration of Medi-Cal services, and must provide reimbursement to State certified Substance Abuse Medi-Cal providers if and where applicable. In addition, the RCDMH, Substance Abuse Program, until further directed, is required by ADP to enter into agreements and/or amendments with NNA and/or DMC certified providers, as long as funding is available, to make financial provisions for substance abuse services to be provided to qualified clients.

Additionally, the County has experienced unforeseen growth in Minor Consent provider services as billed by the County Substance Abuse providers, which are 100% reimbursed by State General Funds. These services will only continue based on the availability of State General Funds (SGF). All Minor Consent contracts contain termination provisions in the event funding becomes unavailable.

Therefore, the RCDMH is requesting that the Board of Supervisors authorize the Auditor Controller to make the corresponding budget adjustment as outlined in the attached "Schedule A" in order to accommodate the substantial increase in NNA/DMC and Minor Consent services for FY2011/2012.

PERFORMANCE PERIOD:

The budget adjustment will cover substance abuse services provided from July 1, 2011 through June 30, 2012.

FINANCIAL IMPACT:

The budget adjustment includes an increase in appropriation 3 of \$3,004,651 to cover Private Care Providers, which will be funded with \$2,102,326 SGF and \$902,326 of Medi-Cal Federal Financial Participation (FFP). No County funds are required.

SCHEDULE A
RIVERSIDE COUNTY DEPARTMENT OF MENTAL HEALTH
BUDGET ADJUSTMENT
FY 2011/2012

Increase Appropriations:

10000 - 4100500000 - 530280 Private Care Provider

	\$	3,004,651
Total	\$	3,004,651

Increase Estimated Revenues:

10000 - 4100500000 - 751400 CA-Medi-Cal Match

	\$	2,102,326
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10000 - 4100500000 - 767180 Fed-Medi-Cal -FFP

	\$	902,325
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Total	\$	3,004,651
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