

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care and Medical Clinics

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care and Medical Clinics

DATE: May 19, 2015

SUBJECT: Approve the first amendment for Negotiated Net Amount and Drug Medi-Cal multi-year revenue agreement FY 2014-17

ACTION REQUESTED:

1. Approve the first amendment for contract #14-90083 with the State of California, Department of Health Care Services, for the Negotiated Net Amount (NNA) and Drug Medi-Cal (DMC) initial multi-year revenue agreement, increasing the revenue amount by \$817,129 for a new amount of \$8,963,230 (no net County cost), from July 1, 2014 through June 30, 2017.
2. Authorize the Director of Health and Human Services to sign subsequent amendments up to 10 percent of the contract amount, consistent with the agreement's subject matter and scope of work.

BACKGROUND:

The Department of Health Care Services (DHCS) utilizes the Negotiated Net Amount and Drug Medi-Cal multi-year revenue agreement in order to obligate to Placer County Federal Substance Abuse, Prevention and Treatment Community Block Grant funding, and Federal Drug Medi-Cal (DMC) reimbursement. Other funding, previously a part of the agreement, has been realigned to the County. This amendment increases that obligation as a result of the increase of Drug Medi-Cal (an entitlement program).

The anticipated increased funds were utilized in contract amendments to providers who were delivering higher amounts than anticipated Drug Medi-Cal Services including outpatient, intensive outpatient and methadone maintenance services.

This multi-year contract is based upon the Federal Block Grant and anticipated Federal Financial Participation to Drug Medi-Cal. The amendment adjusts the funding to be consistent with the estimated use of Drug Medi-Cal and the increase in expected state and federal reimbursement.

FISCAL IMPACT:

This amended, multi-year contract is 100 percent funded with Federal dollars. The FY 2014-15 amount is included in Department's FY 2014-15 Final Budget, and the residual amounts will be included in the FY 2015-16 and FY 2016-17 Department's Requested Budget. This contract requires no County General Fund contribution.

This contract is on file with the Clerk of the Board for review.

