MEMORANDUM
HEALTH AND HUMAN SERVICES
ADULT SYSTEM OF CARE
County of Placer

TO: Board of Supervisors DATE: March 8, 2016

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services

SUBJECT: Amendment for Negotiated Net Amount and Drug Medi-Cal multi-year revenue agreement.

ACTION REQUESTED

1. Approve the third 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 $242,243 for a new amount of $10,098,958, from July 1, 2014 through June 30, 2017.
2. Approve the fourth 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 $1,059,372 for a new amount of $11,158,330, from July 1, 2014 through June 30, 2017, and authorize the Director of Health and Human Services to sign subsequent amendments not to exceed 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. The contract was approved by this Board on January 6, 2015 and been approved to be amended twice since.

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

These amendments are on file with the Clerk of the Board for review.