



# Board Agenda Item 43

DATE: October 17, 2017  
TO: Board of Supervisors  
SUBMITTED BY: Dawan Utecht, Director, Department of Behavioral Health  
SUBJECT: Retroactive Drug Medi-Cal Agreement

RECOMMENDED ACTION(S):

**Approve and authorize the County Behavioral Health Director/Alcohol and Other Drug Program Administrator to execute retroactive Drug Medi-Cal Agreement No. 17-94070 with the California Department of Health Care Services, including required certifications, for the provision of substance use disorder treatment services to Fresno County residents, effective July 1, 2017 through June 30, 2020 (\$52,132,908).**

Approval of the recommended action will enable the Department of Behavioral Health to continue receiving State and Federal Drug Medi-Cal (DMC) funds through the California Department of Health Care Services (DHCS) to finance County substance use disorder (SUD) treatment services, with no increase Net County Cost.

ALTERNATIVE ACTION(S):

There is no viable alternative action. If the recommended action is not approved, the County would jeopardize up to \$52,132,908 in State and Federal funding and Behavioral Health Realignment revenues supporting mandated SUD programs during the contract period. DHCS would be forced to contract directly with the treatment providers for these services and withhold the amount of realignment necessary to match the Federal portion of approved DMC services.

RETROACTIVE AGREEMENT:

The recommended agreement, including exhibits, were received from DHCS on September 1, 2017 and the agreement is retroactive to July 1, 2017.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The recommended agreement will provide \$52,132,908 in revenues for the County over the three fiscal years to administer Federal SUD programs. Sufficient appropriations and estimated revenues have been included in the Department's Org 5630 FY 2017-18 Adopted Budget and will be included in subsequent budget requests for the duration of the contract term.

DISCUSSION:

Since FY 1989-90, DHCS has contracted with the County to provide SUD treatment services. The recommended agreement provides both Federal and State funding to support alcohol and drug treatment

services for County residents. With these funds, the County contracts with local DMC-eligible providers to deliver SUD treatment services to more than 7,000 DMC-eligible county residents annually.

Historically, DHCS combined DMC and the Substance Abuse Prevention and Treatment (SAPT) Block Grant allocation into one agreement. Beginning in FY 2017-18, the two funding sources have been moved to separate agreements. DHCS is in the process of finalizing the SAPT Agreement. Once DHCS provides the document, the Department will bring the SAPT Agreement before your Board, retroactively.

Disputes related to the provision of treatment services or to DHCS financial audits must be resolved using the dispute resolution process stated in the recommended agreement. Further, by executing the recommended agreement the County is agreeing to indemnify the State for any intellectual property claims arising from the agreement and for any and all claims and losses accruing or resulting from the performance of this agreement.

The cancellation clause gives DHCS the right to terminate the recommended agreement without cause; however, the County is not given the same right.

REFERENCE MATERIAL:

BAI #19, December 9, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement No. 17-94070 with DHCS  
On file with Clerk - California Civil Rights Laws Certification  
On file with Clerk - Contractor Certification Clauses

CAO ANALYST:

Sonia De La Rosa