



**Contra  
Costa  
County**

To: Board of Supervisors  
From: William Walker, M.D., Health Services Director  
Date: January 9, 2018

Subject: Agreement Amendment #29-811-1 with the California Department of Health Care Services

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**RECOMMENDATION(S):**

Approve and authorize the Health Services Director, or his designee, Cynthia Belon, to execute, on behalf of the County, Standard Agreement Amendment #29-811-1 (State #16-93243, A01) with the California Department of Health Care Services (DHCS), effective June 30, 2017, to decrease funding by \$25,303,534 to a new total amount payable to the County of \$38,647,628, for Substance Use Disorder (SUD) treatment services under the Drug Medi-Cal Organized Delivery System (DMC-ODS) with no change in the original term of June 30, 2017 through June 30, 2019.

**FISCAL IMPACT:**

Approval of Standard Agreement Amendment #29-811-1 reduces funding over the 3-year term of the agreement by \$25,303,534, for a new total contract award of \$38,647,628. The original award was \$63,951,162.

\$13,381,350 of the reduction results from DHCS's decision to bifurcate its single Negotiated Net Amount (NNA) and Drug Medi-Cal (DMC) contract with counties into separate agreements covering Federal Substance Abuse Block Grant (SABG) funds and another dealing with Drug Medi-Cal. There is no net reduction in funds as they have been

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **01/09/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 9, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Cynthia Belon,  
925-957-5201

cc: Tasha Scott, Marcy Wilhelm

transferred from one agreement to another.

\$11,922,184 of the reduction results from a computational error made by DHCS in the statewide allocation of State General Fund in Fiscal Years 17-18 and 18-19. As the error resulted in an over-allocation of funds in future years, there is no anticipated impact in the current or next fiscal year.

## FISCAL IMPACT: (CONT'D)

No County General Fund match is required.

### BACKGROUND:

On August 13, 2015, the DHCS received approval from the Centers for Medicare and Medicaid Services to implement the DMC-ODS waiver. The DMC-ODS is a pilot project authorized originally under the California's Section 1115 Bridge to Reform Demonstration Waiver and continued in the Medi-Cal 2020 Waiver. The purpose of the pilot program is to test a new paradigm for organized delivery of health care services for Medicaid eligible individuals with a substance use disorder. Today, people with SUDs with Medi-Cal health coverage have limited treatment options available. The DMC-ODS Waiver allows any California county to "opt in" to provide a full continuum of services currently unavailable to Medi-Cal beneficiaries following submission and approval of a County Implementation Plan (CIP). Contra Costa County – specifically, the Behavioral Health Division's Alcohol and Other Drug Services received DHCS approval of its CIP last August 10, 2016.

DHCS's decision to place DMC and SABG funding in separate contracts is an administrative simplification measure implemented in two steps. The first placed SABG funds into Contract #29-502-42, executed by the Board of Supervisors on December 5, 2017. The second step, this amendment to Contract #29-811-1, which removes SABG funds from what was originally a combined Block Grant and DMC-ODS Waiver contract and also corrects a computational error in the allocation of State General Fund revenue. Approval of this Amendment will allow the County to participate in the DMC-ODS Waiver and will expand and enhance SUD services for Contra Costa residents, through June 30, 2019.

### CONSEQUENCE OF NEGATIVE ACTION:

If this amendment is not approved, the County will not participate in the DMC-ODS Waiver and will not be able to provide expanded and enhanced SUD services. This agreement is also the vehicle for supporting the continuation of federal block grant funded prevention and treatment programs.