



City and County of San Francisco
Edwin M. Lee
Mayor

San Francisco Department of Public Health

Barbara A. Garcia, MPA
Director of Health

MEMORANDUM

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Colleen Chawla, Deputy Director of Health and Director of Policy and Planning

THROUGH: Barbara A. Garcia, MPA, Director of Health

DATE: March 8, 2017

SUBJECT: California Department of Healthcare Services Contract amendment A05 for Substance Use Disorder Services for FY 2014-17 Contract # 14-90096

Purpose of this memorandum:

This memorandum provides an explanation of the Amendment A05 to the Substance use Disorder Services (SUDS) FYs 2014-17 Multi-year Contract between the City and County of San Francisco and the California Department of Health Care Services (DHCS), a contract that is handled by the San Francisco Department of Public Health, Behavioral Health Services. Please note that it is imperative that all approved and signed contract documents are received by DHCS as soon as possible in order to execute the amendment by June 15, 2017, otherwise San Francisco's Drug Medi-Cal revenues may be delayed.

Changes from previous (original) version of this contract:

- DHCS added the bulk of the federal share of Drug Medi-Cal (DMC) funding for FY16-17. For the last three years, the state has been adding the Federal DMC funding during the fiscal year to ensure that they encumber enough funds to support the county's billings.
- Substance Abuse Prevention and Treatment (SAPT) Block Grant HIV set-aside has been discontinued because according to the Substance Abuse Mental Health Services Association (SAMHSA), California's AIDS case rate has fallen below threshold guidelines and thus the State no longer qualifies as an HIV Early Intervention Services designee. The services formerly funded with HIV set-aside have not been interrupted. In FY15-16 the HIV set-aside funds were shifted to the discretionary category and for FY16-17, all SAPT distributions were recalculated based on the State's allocation methodology.

Mandatory nature, and type of contract:

- This is a mandatory contract between the State and each California county. The contract includes federal pass-through dollars (SAPT grant). It is also the payment mechanism for Drug Medi-Cal Services.
- This is not a budget document, and does not interfere with the usual budget process. The contract includes terms and conditions for budgeted, allocated and fee-for-service items.

Retroactivity:

Retroactivity of this contract only refers to the fact that the State is encumbering additional Federal Medicaid Funds to this contract after July 1, 2014, the original start date of the contract. This is done to assure the adequacy of the contract to reimburse all the services billed by the City and County of San Francisco. Contract Amendment A05 covers services San Francisco has been providing since July 2014.