



San Francisco Department of Public Health

Grant Colfax, MD
Director of Health

City and County of San Francisco
London N. Breed
Mayor

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Judith Martin, MD, Deputy Medical Director, Behavioral Health Services
Medical Director, Substance Use Services
San Francisco County Alcohol and Drug Administrator

THROUGH: Grant Colfax, MD, Director of Health

DATE: August 21, 2019

SUBJECT: Drug Medi-Cal Organized Delivery System (DMC-ODS) Intergovernmental Agreement No. 19-96217 for Substance Use Disorder Services for Fiscal Years 2019-20 through 2021-22.

Purpose of this memorandum:

This memorandum provides an explanation of the Multi-Year Intergovernmental Agreement for Substance Use Disorder Services (SUDS) between 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 (DPH-BHS), for FYs 2019-22.

Changes from previous SUDS Contracts:

- This three year agreement replaces the expiring two year Agreement No 16-93237, last approved by the Board of Supervisors on February 12, 2019 (File No.181133).
- There are no significant regulatory changes from the previous contract. At the request of San Francisco, the language of the county specific portion of the agreement was rewritten for clarity and agreed upon word usage.
- The face value of the new agreement for FY 2019-20 is \$57,238,306. This represents a \$1,260,825 reduction in state matching funds resulting from the prior year's overestimation of the matching funds required for Drug Medi-Cal. At the close of each fiscal year the state will adjust the amounts to fully reimburse San Francisco's approved Drug Medi-Cal billing.

Mandatory nature, and type of contract:

- This is a mandatory contract between the State and each California County. The contract includes state general fund dollars and 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 SUDS Programs.

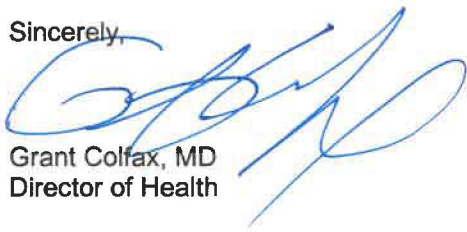
Retroactivity:

DPH-BHS is requesting retroactive approval due to delays in receiving the Intergovernmental Agreement. DHCS did not send the agreement to San Francisco until August 20, 2019. According to DHCS, the main reasons for the delay were:

-
- DHCS' Substance Use Disorder Division did not receive the FY 2019-20 finalized Narcotic Treatment Program rates until 6/26/19.
 - Centers for Medicare and Medicaid Services (CMS) did not approve SF's county-specific section until 7/19/19.
 - CMS must approve the new ODS language for the Exhibit A, Attachment 1 for each new fiscal year. DHCS did not receive CMS' final approval until 7/30/19.
 - Once all CMS approvals were granted, DHCS' internal contract document approval process required 10-15 business days to finalize the Intergovernmental Agreement.

Thank you for your time and consideration.

Sincerely,



Grant Colfax, MD
Director of Health