



**Edwin M. Lee**  
Mayor

**Barbara A. Garcia, MPA**  
Director of Health

TO: Angela Calvillo, Clerk of the Board of Supervisors

THROUGH: Barbara A. Garcia, MPA, Director of Health  
Colleen Chawla, Director of Policy and Planning, Deputy Director of Health

FROM: Jim Stillwell, Analyst, Behavioral Health/Substance Abuse Disorders  
Judith Martin, Deputy Medical Director, Behavioral Health Services & Medical Director, Substance Use Services

DATE: July 14, 2015

SUBJECT: Resolution retroactively authorizing the San Francisco Department of Public Health to Enter into an Amended Contract with the California Department of Health Care Services for Substance Use Disorder Services.

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**Purpose of this memorandum:**

This memorandum provides an explanation of the Amendment to the Substance use Disorder Services (SUDS) Multi-year Contract 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. The original contract was previously approved by the Board of Supervisors in February 2015 (File No. 141180).

**Changes from previous (original) version of this contract:**

The Department of Healthcare Services (DHCS) has issued an amendment to this contract consisting solely of an increase of \$7,121,875 Drug Medi-Cal Federal Share to FY 2014-15. This amendment increases the entire contract from \$33,250,026 to \$40,371,901. The DHCS has known since July, 2014, that an increase of this magnitude would be required, but waited until the end of the year to make the change, presumably to avoid having to make multiple changes as a better estimate of the final liability became available.

There were no other changes to the contract other than the \$7,121,875 increase in Drug Medi-Cal Federal Portion.

**Mandatory nature, and type of contract:**

- This is a mandatory contract between the State and each of the counties. It includes Federal pass-through dollars (Substance Abuse Prevention and Treatment grant, or 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 has a variety of items, including 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 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. This contract covers services the County has been providing since July of 2014.