



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: October 17, 2014

MHSUDS INFORMATION NOTICE NO.: 14-037

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS  
COUNTY DRUG AND ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTOR'S ASSOCIATION  
CALIFORNIA COUNCIL OF COMMUNITY MENTAL HEALTH  
AGENCIES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS  
DIRECT CONTRACT PROVIDERS

SUBJECT: STATE FISCAL YEAR 2014-15 SUBSTANCE USE DISORDER  
FUNDING BUDGET ACT ALLOCATION, v2.0

## **PURPOSE**

This notice conveys funding information for substance use disorder (SUD) services for State Fiscal Year (FY) 2014-15. This includes State General Funds (SGF) for Drug Medi-Cal (DMC) services and federal Substance Abuse Prevention and Treatment Block Grant (SAPT BG) allocations.

## **DISCUSSION**

### **Highlights of the FY 2014-15 Budget Act Allocation**

The FY 2014-15 Budget Act reflects changes in funding for Drug Medi-Cal Intensive Outpatient (IOT) services, adjustments for the federal SAPT Block Grant, and the end of the Parolee Services Network reimbursement funding.

### **SGF for DMC Intensive Outpatient Treatment Service**

As part of the Medi-Cal benefit plan for SUD services, the IOT service was made available to currently eligible Medi-Cal beneficiaries who meet the criteria for this service. The IOT service for this expanded population is funded with a combination of SGF for DMC services and federal financial participation. The federal Centers for Medicare and Medicaid Services approved California's State Plan Amendment 13-038 effective January 1, 2014. These additional SGF dollars will exclusively support the expanded portion of the IOT service.

### SAPT BG

DHCS anticipates the same level of SAPT BG local assistance funds (\$226 million statewide) will be available to counties in FY 2014-15 as in FY 2013-14.

Categorical funding for the Female Offender Treatment program was discontinued for FY 2014-15. The population previously served through this program has services and funding available to them through other services due to the Public Safety realignment of 2011. The SAPT program funds are allocated to all counties as new discretionary funding using the standard allocation methodology.

DHCS has adjusted allocations for counties who have not fully utilized their federal SAPT allocations. In most cases, DHCS allocated the amount spent from the Federal Fiscal Year 2012 SAPT allocation. The resulting fund reductions will be held in reserve until June 30, 2015, exclusively for the counties' use, if the county requests a restoration of its former allocation. Before restoration, the county must advise DHCS of the cause of its under-utilization, how and when it will provide increased services, and assure that the county will fully spend the restored allocation.

The federal SAPT BG requires the State to maintain levels of State expenditures for SUD services. Exhibit F communicates the estimated amount of each county's share of the statewide Maintenance of Effort (MOE) and Exhibit G identifies the county share of the Women Services requirement. The county share of the statewide MOE is based on the Behavioral Health Subaccount dollars shown in Exhibit F. These dollars were revised for FY 2014-15 to provide additional DMC amounts to non-participating DMC counties to provide a minimum base of county realignment funds of \$100,000. The additional funds are intended as an incentive to start participating in DMC. DHCS will release a separate MHSUDS Information Notice describing how the Behavioral Health Subaccount allocation amounts were revised.

Questions concerning this notice and its exhibits should be directed to:

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Department of Health Care Services, MS 2628  
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(916) 445-5539  
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Additional copies of this notice and its exhibits may be downloaded from the DHCS website at: <http://www.dhcs.ca.gov/formsandpubs/Pages/MHSUDS-InfoNotices.aspx>

Sincerely,

Originally signed by

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services

Exhibits:

- A. Overview of Programs, Funding and Allocation Methodologies
- B. Statewide Allocation of DMC State General Funds and SAPT BG Funds
- C. SAPT BG Exchange Program
- D. Funding Period for SAPT BG
- E. Individual County Allocation Summary
- F. Estimated County Share of SAPT BH Statewide Maintenance of Effort
- G. County Share of Women's Services Expenditure Requirement