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DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

DATE: May 15, 2020

BEHAVIORAL HEALTH INFORMATION NOTICE NO.: 20-026

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Department of Health Care Services (DHCS) Substance Abuse
Prevention and Treatment Block Grant (SABG) County
Performance Contract (CPC) Merge

EFFECTIVE DATE: This notice is effective July 1, 2020, and shall remain in effect
until superseded or rescinded.

PURPOSE: This Information Notice (IN) is to inform county subrecipients that
in State Fiscal Year (SFY) 2020-21, DHCS Community Services
Division is streamlining the contracting process for behavioral
health federal block grants by integrating the SABG into the
existing CPC.

BACKGROUND

In previous years, DHCS administered SABG funding through three-year contracts with each county. Because the county allocation amounts are based on the fluctuating SABG award amounts that are issued annually by the Substance Abuse and Mental Health Services Administration, annual adjustments to county allocations required a new SABG contract amendment in each year of the three-year cycle. Additional amendments were required for any shift or modification of funding to cover unique

circumstances. In some cases, counties and DHCS would have to draft and execute multiple contract amendments per year in order to maintain the grant funding stream and cover expenses. This process is cumbersome and often results in lengthy funding delays.

The CPC is required per Welfare and Institutions Code sections 5650, subd. (a), 5651, 5897, and California Code of Regulations Title 9, section 3310 and sets forth conditions and requirements that counties must meet in order to receive funding for the the Mental Health Services Act and Lanterman-Petris-Short Act, in addition to the following federal behavioral health grants: Community Mental Health Services Block Grant (MHBG), Projects for Assistance in Transition from Homelessness (PATH), and Crisis Counseling Assistance and Training Program (CCP). Historically this was a one-year contract, but a statutory change in 2018 allows DHCS to issue the CPC as a three-year contract with an option to renew for two additional one-year terms.

DISCUSSION

SABG is currently administered under a different contracting model from MHBG, PATH, and CCP despite being governed by similar or identical federal statutes and regulations. SABG funding is currently tied to individual county contracts, whereas MHBG, PATH, and CCP funding is administered via supplemental application documents that are incorporated by reference through the CPC.

Currently, adjustments to SABG Program Specifications, funding, or budgets, require a contract amendment, which is administratively burdensome and may take several months to complete. The MHBG, PATH, and CCP contract models do not require the need to formally amend the contract to adjust budgets or funding levels, which provides DHCS flexibility in responding to the needs of counties and their beneficiaries.

Aligning the federal behavioral health grants into the existing CPC simplifies and streamlines county administration of the SABG, MHBG, PATH, and CCP grants.

POLICY

Upon expiration of the current three-year SABG contract on June 30, 2020, SABG will be integrated into the existing CPC, which runs through June 30, 2021. As with MHBG, counties will submit annual SABG applications that consist of enclosures detailing various rules, regulations, and county requirements, in addition to program narratives and budgets. Application documents are legally binding and enforceable by DHCS as they are incorporated by reference into the CPC.

May 15, 2020

On April 8, 2020, DHCS released the SABG SFY 2020-21 County Application package. This package included the following:

1. Enclosure 1 – Funding Allocation & Application Instructions
2. Enclosure 2 – Program Specifications
3. Enclosure 3 – Budget Detail and Payment Provisions
4. Enclosure 4 – Documents Incorporated by Reference
5. Enclosure 5 – Special Terms and Conditions

Counties are required to prepare and submit a SABG County Application in accordance with the enclosures and attachments accompanying this letter.

Application documents must be submitted electronically, as detailed in Enclosure 1, to SABG@dhcs.ca.gov, no later than close of business on **July 31, 2020**. DHCS conducted an informational SABG SFY 2020-21 County Application Overview and Technical Assistance Webinar on April 7, 2020. Slides for this webinar are available upon request.

If you have any questions regarding this policy, please e-mail SABG@dhcs.ca.gov or contact Ivan Bhardwaj, Chief, Contracts and Grants Management Section, at (916) 345-7483.

Sincerely,

Marlies Perez, Chief
Community Services Division