



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

DATE: May 23, 2014

MHSUDS INFORMATION NOTICE NO.: 14-018

TO: COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS
COUNTY MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH BOARDS

SUBJECT: ALLOCATION OF FUNDING FOR SUBSTANCE USE DISORDER
PREVENTION, TREATMENT AND RECOVERY SERVICES,
STATE FISCAL YEAR 2014-15 GOVERNOR'S BUDGET
(PRELIMINARY) ALLOCATION, v1.0

PURPOSE

This information notice transmits the State Fiscal Year (FY) 2014-15 Governor's Budget (Preliminary) Allocation to county alcohol and drug program administrators for informational and planning purposes, pursuant to Health and Safety Code Section 11814. This proposed allocation of funds is contingent upon enactment of the FY 2014-15 Budget Act, and federal appropriations. After the FY 2014-15 Budget is enacted, a final notice will be sent to reflect any adjustments.

This notice includes seven exhibits:

- (A) Overview of Programs, Funding, and Allocation Methodologies – Exhibit A describes the allocation methodologies and the permitted uses of the Substance Abuse Prevention and Treatment Block Grant (SAPT BG) funds administered by the Department of Health Care Services (DHCS), Substance Use Disorders-Prevention, Treatment, and Recovery Services Division. For Drug Medi-Cal (DMC) services, this notice also communicates the allocation methodology for State General Funds (SGF) that will be used in place of county funds to reimburse counties when two populations receive the expanded part of the Intensive Outpatient Treatment service.
- (B) Statewide Allocation Summary of DMC SGF, and SAPT BG Funds – Exhibit B displays each county's DMC SGF and SAPT BG allocations as well as the total statewide allocations from DHCS for prevention and substance use disorder services programs.
- (C) SAPT BG Exchange Program – Exhibit C provides historical program information;

explains the methodology for exchanging SAPT Perinatal, and SAPT Adolescent and Youth Treatment funds for SAPT Discretionary funds; and displays the amounts exchanged.

- (D) Funding Periods for SAPT BG – Exhibit D illustrates the overlapping spending periods for the Federal Fiscal Year (FFY) 2015 SAPT BG allocations covered by this information notice and for the prior FFY.
- (E) Individual County Allocation Summary – Exhibit E summarizes the individual funding allocations to each county.
- (F) Estimated County Share of SAPT BG Statewide Maintenance of Effort (MOE) Requirement – Exhibit F displays estimates of each county's spending requirements to assist the State in meeting its BG MOE requirement.
- (G) County Share of SAPT BG Women Services Expenditure Requirement – Exhibit G identifies each county's share of the SAPT BG Women Services Expenditure requirement.

DISCUSSION

On January 9, 2014, the Governor released the proposed budget for FY 2014-15. For this Preliminary Allocation, DHCS presumes the same level of local assistance funds will be available to counties in FY 2014-15 as in FY 2013-14. The SAPT local assistance funds to be allocated to counties total \$226,864,468, and the State General Funds allocated to counties total \$18,147,000 for a total combined allocation of \$245,011,468. The Parolee Services Network Program terminated for FY 2014-15.

SGF for DMC Intensive Outpatient Treatment Service

This information notice also includes a preliminary allocation of SGF dollars by county for the Intensive Outpatient Treatment (IOT) service which has expanded eligibility as a condition of the Affordable Care Act (ACA). The SGF will be in addition to the funds disbursed into each county's Local Revenue Fund, Behavioral Health Subaccount to provide DMC services to existing beneficiaries.

The ACA requires that newly eligible Medicaid beneficiaries receive coverage of essential health benefits that are equal to or greater than the State-selected benchmark plan authorized by the California Legislature. Newly eligible are those who became eligible for Medi-Cal after January 1, 2014, when the eligibility criteria changed. This coverage standard is referred to as a Medicaid Alternative Benefit Plan (ABP). Due to the fact that beneficiaries may circulate between different categories of eligibility, the State conformed DMC services to reflect the ABP standard for all enrollees. Consistent with Article XIII, Section 36(c)(4)(D) of the California Constitution, the State is using

General Fund dollars to provide support for the increased costs of this programmatic expansion of DMC services.

These additional SGF dollars will exclusively support the expanded part of the IOT service for the existing Medi-Cal population, and for the population that has been eligible Medi-Cal, has not been enrolled, and who are expected to enroll and start receiving this service. The expanded part of this service is that part available to beneficiaries other than Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)-eligible youth, pregnant, or postpartum, after January 1 2014. Once federal approval is obtained, this service will be reimbursable for any Medi-Cal beneficiary with a medically-determined need for the service. The Intensive Outpatient Treatment replaces the Day Care Rehabilitative service which was previously restricted to EPSDT-eligible youth, and pregnant or postpartum women.

DHCS has submitted to the federal government, State Plan Amendment (SPA) 13-038, to make the change effective January 1, 2014. The Department is awaiting approval of the SPA 13-038.

DHCS estimated the percentage of the current DMC beneficiaries who would receive the expanded part of the IOT service starting January 1, 2014. Also, there was a population that was eligible for Medi-Cal before January 1, 2014, but was not enrolled. DHCS estimated the percentage of this population that would enroll and receive the expanded part of this service starting January 1, 2014.

REFERENCES

Senate Bill 851 (Leno, Statutes of 2014) FY 2014-15 Budget

QUESTIONS / MAINTENANCE

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

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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/ADPBulletinsLtrs.aspx>

EXHIBITS

- A. Overview of Programs, Funding, and Allocation Methodologies
- B. Statewide Allocation Summary
- C. SAPT BG Exchange Program
- D. Funding Periods for SAPT BG
- E. Individual County Allocation Summary (for county administrators only)
- F. Estimated County Share of SAPT BG Statewide MOE Requirement
- G. County Share of SAPT BG Women Services Expenditure Requirement

Sincerely,

Originally Signed by

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

Enclosures