



JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

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October 20, 2008

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: NOTIFICATION OF THE DEPARTMENT OF PUBLIC HEALTH'S USE OF DELEGATED AUTHORITY TO EXECUTE AN ALCOHOL AND DRUG SERVICES AGREEMENT WITH CIRCLE OF FRIENDS OUTPATIENT SERVICES, INC. FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES

This is to advise you that the Department of Public Health (DPH) is exercising its delegated authority, granted by your Board on June 10, 2008, to offer and sign Drug/Medi-Cal (DMC) Agreements, following County Counsel review and approval and notification of the Board and Chief Executive Office, effective upon provider certification date or July 1 of the current Fiscal Year, whichever start date is requested by the provider.

In a memorandum dated October 5, 2007, DPH Alcohol and Drug Program Administration (ADPA) notified Board Offices of actions taken by State Department of Alcohol and Drug Program (SDADP) to temporarily suspend and deactivate Circle of Friends Outpatient Services, Inc.'s (COFOS) license and certification to provide Drug/Medi-Cal services (DMC). SDADP had issued such notice based on the opening of an investigation by the Department of Justice (DOJ) for possible fraud or abuse of DMC regulations. ADPA had also temporarily suspended County's DMC contract with COFOS and had worked with COFOS to transfer County patients to other licensed DMC providers.

On May 12, 2008, SDADP recertified COFOS to provide DMC services following the DOJ's investigation that cleared COFOS of all allegations for fraud or abuse.

On September 10, 2008, SDADP notified ADPA that COFOS was cleared of all audit review by SDADP.

COFOS has requested to provide DMC services to County, effective July 1, 2008 through June 30, 2011. The total maximum obligation is \$6,000,000; 100 percent offset by State funds.

County Counsel has reviewed and approved the agreement as to form.

If you have any questions or require additional information, please let me know.

JEF: lm

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors