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February 24, 2009

TO: Each Health Deputy

FROM: Jonathan E. Freedman
Chief Deputy Director

SUBJECT: **NOTICE OF AMENDMENT TO THE NEGOTIATED NET AMOUNT AND
DRUG/MEDI-CAL AGREEMENT WITH THE STATE DEPARTMENT OF
ALCOHOL AND DRUG PROGRAMS**

This is to inform you that the Department of Public Health's (DPH) Alcohol and Drug Program Administration (ADPA) plans to seek approval from the Board of Supervisors to amend the Combined Negotiated Net Amount (NNA)/Drug Medi-Cal (DMC) Agreement with the State Department of Alcohol and Drug Programs (SDADP).

On January 23, 2009, DPH ADPA received Amendment No. 1 to the Combined NNA/DMC Agreement for FY 2008-09 from SDADP. This Amendment will increase funding for Fiscal Year (FY) 2008-09 by \$23,249,607, bringing the total amount from \$120,772,748 to \$144,022,355. The total SDADP maximum obligation to the County for the three-year Agreement term, July 1, 2007 through June 30, 2010, will increase from \$381,387,559 to \$404,637,166. This funding in Amendment No. 1 is comprised of \$61,244,183 in Federal Block Grant Funds, \$34,133,178 in Federal DMC funds, and \$48,644,994 in State funds. There are no net County costs

Attached is a comparison of the original FY 2008-09 NNA/DMC funding and Amendment No. 1. Most of the increases in funding are for DMC services which include: perinatal and non-perinatal narcotic treatment programs, outpatient drug free counseling, day care rehabilitative services, and perinatal residential rehabilitative services. Amendment No. 1 also contains a combined decrease of \$284,753 in discretionary, Prevention Set-Aside, HIV Set-Aside, and Special Projects funds. Because these were one-time funds available for FY 2007-08, ADPA did not allocate these funds to provider contracts for FY 2008-09. Therefore, these decreases will not have any impact on services or overall funding.

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

JEF:dhd

Attachment

c: Jonathan E. Fielding, M.D., M.P.H.
Sheila Shima
Richard Mason
Tami Omoto-Frias
John Viernes, Jr.

**NEGOTIATED NET AMOUNT AND DRUG/MEDI-CAL
FY 2008-09 Comparison**

Attachment

	FY 2008-09 NNA BUDGET V.1	FY 2008-09 NNA BUDGET V.0	VARIANCE
STATE GENERAL FUNDS			
State General Fund-Alcohol & Drug	1,586,664	1,776,525	(189,861)
State General Fund-Drug Medi-Cal	38,749,388	23,904,252	14,845,136
Perinatal State General Fund	3,395,297	3,807,569	(412,272)
Perinatal State General Fund Drug Medi-Cal	1,196,198	951,606	244,592
Women & Children Residential Treatment	2,132,532	2,369,562	(237,030)
Parolee Services Network Funds	1,584,915	1,578,440	6,475
TOTAL STATE GENERAL FUNDS	48,644,994	34,387,954	14,257,040
FEDERAL FUNDS			
SAPT BLOCK GRANT - 93.959 (FFY 2009 Award) (October 1, 2008 to June 30, 2010 - 21 months)			
SAPT Female Offender Treatment Services (FFY 2009 Award)	382,458	382,098	360
SAPT Discretionary (FFY 2009 Award)	35,854,740	35,876,819	(22,079)
SAPT Adolescent/Youth Treatment Program - (FFY 2009 Award)	1,597,462	1,597,462	-
SAPT Friday Night Live (FFY 2009 Award)	75,000	75,000	-
SAPT Club Live (FFY 2009 Award)	75,000	75,000	-
SAPT Primary Prevention Set-Aside (FFY 2009 Award)	12,846,817	12,853,360	(6,543)
SAPT HIV Set-Aside (FFY 2009 Award)	4,402,623	4,471,635	(69,012)
SAPT Perinatal Set-Aside (FFY 2009 Award)	3,704,357	3,704,336	21
SAPT Special Projects (FFY 2009 Award)	-	187,500	(187,500)
SAPT SATTA Funding (Discretionary/Drug Testing) (FFY 2009 Award)	2,305,726	2,305,726	-
TOTAL SAPT BLOCK GRANT - 93.959 (FFY 2009 Award)	61,244,183	61,528,936	(284,753)
FEDERAL DRUG/MEDI-CAL FUNDS (REIMBURSEMENT) (12 MONTHS)			
Drug Medi-Cal (Fed Share Only)	32,936,980	23,904,252	9,032,728
Perinatal Drug Medi-Cal (Fed Share Only)	1,196,198	951,606	244,592
TOTAL FEDERAL DRUG/MEDI-CAL FUNDS (REIMBURSEMENT) (12 MONTHS)	34,133,178	24,855,858	9,277,320
TOTAL ALL FEDERAL FUNDS	95,377,361	86,384,794	8,992,567
GRAND TOTAL, ALL FUNDS	144,022,355	120,772,748	23,249,607