COUNTY OF LOS ANGELES
Public Health

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

JONATHAN E. FREEDMAN
Chief Deputy Director

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June 13, 2012

TO: Each Supervisor

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

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND SEVEN CONTRACTS FOR THE PROVISION OF DRUG/MEDI-CAL SERVICES**

This is to notify you that I am exercising the delegated authority approved by your Board on June 7, 2011, to execute amendments to Drug/Medi-Cal (DMC) agreements that increase or decrease the contractual maximum obligations, and/or provide an internal reallocation of funds between budgets pursuant to the federal ruling of Sobky v. Smoley, subject to review and approval by County Counsel, and notification to your Board and the Chief Executive Office.

Pursuant to both State legislation and the federal ruling of Sobky v. Smoley, counties are required to enter into agreements with all State-certified DMC service providers who request service contracts and who demonstrate the ability to comply with all local requirements. Moreover, when these agencies request additional funds necessary to provide services to persons eligible for DMC program services, counties are required to amend the DMC agreements to reflect the additional services and funding. Under the federal ruling, counties have no basis to deny reimbursement for services if the contractor is in full compliance with contractual requirements.

Under the delegated authority referenced above, I will execute five DMC amendments for the term July 1, 2011 through June 30, 2014 and two DMC amendments for the term July 1, 2011 through June 30, 2012, as identified in Attachment A; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds.

County Counsel has reviewed and approved the amendments as to form and this delegated authority action.

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

JEF:nb
#02309

Attachment

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

DEPARTMENT OF PUBLIC HEALTH
DRUG/MEDI-CAL SERVICES
DELEGATED AUTHORITY AMENDMENT ACTIONS
TERM: JULY 1, 2011 – JUNE 30, 2014

	AGREEMENT #	CONTRACTOR	ANNUAL FUNDING INCREASE	ANNUAL OBLIGATION		TOTAL MAXIMUM OBLIGATION		IMPACTED SERVICE(S)
				FROM	TO	FROM	TO	
1.	PH-001785-1	Arms of Grace Humanitarian Services, Inc.	$200,000	$524,110	$724,110	$1,572,330	$2,172,330	Provide additional Outpatient Drug Free Services
2.	PH-001787-3	Atlantic Recovery Services	$40,000	$4,989,977	$5,029,977	$14,969,931	$15,089,931	Provide Perinatal Outpatient Drug Free Services and Perinatal Day Care Habilitative Services
3.	PH-001803-1	Circle of Friends Outpatient Services, Inc.	$0[1]	$2,000,000	$2,000,000	$6,000,000	$6,000,000	Reallocate funds internally to provide Outpatient Drug Free Services based on the needs of the service area
4.	PH-001804-2	Circle of Help Foundation	$170,000	$3,196,210	$3,366,210	$9,588,630	$10,098,630	Provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services
5.	PH-001857-1	The Pajo Corporation	$300,000	$985,120	$1,285,120	$2,955,360	$3,855,360	Provide additional Narcotic Treatment Program Services

[1] Internal reallocation in the amount of $210,000 for the provision of Outpatient Drug Free Services based on the needs of the service area.

Attachment A

DEPARTMENT OF PUBLIC HEALTH
DRUG/MEDI-CAL SERVICES
DELEGATED AUTHORITY AMENDMENT ACTIONS
TERM: JULY 1, 2011 – JUNE 30, 2012 (FY 11/12)

	AGREEMENT #	CONTRACTOR	ANNUAL FUNDING INCREASE	ANNUAL OBLIGATION		TOTAL MAXIMUM OBLIGATION		IMPACTED SERVICE(S)
				FROM	TO	FROM	TO	
1.	PH-001742-1	Allied Drug and Alcohol Treatment Center, Inc.	$0[2]	$50,000	$50,000	$150,000	$150,000	Delete Day Care Habilitative Services (for FY 11/12 only) and reallocate funds to provide additional Outpatient Drug Free Services based on the service needs
2.	PH-001754-1	Florence Drug and Alcohol Treatment Center, Inc.	$0[3]	$50,000	$50,000	$150,000	$150,000	Delete Day Care Habilitative Services (for FY 11/12 only) and reallocate funds to provide additional Outpatient Drug Free Services based on the service needs

[2] Internal reallocation for FY 11/12 reflects a decrease of $10,000 from Day Care Habilitative Services and an increase of $10,000 to Outpatient Drug Free Services.

[3] Internal reallocation for FY 11/12 reflects a decrease of $10,000 from Day Care Habilitative Services and an increase of $10,000 to Outpatient Drug Free Services.