



COUNTY OF LOS ANGELES
Public Health

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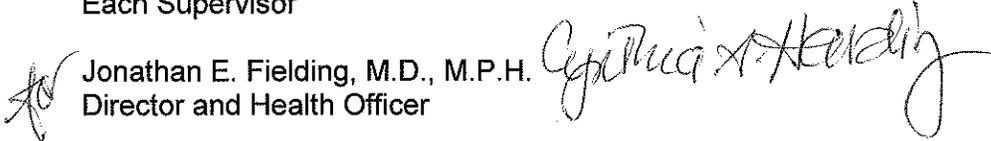
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November 28, 2012

TO: Each Supervisor

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



SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND SIX 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 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 the following DMC amendments for the term of July 1, 2012 through June 30, 2014, which includes a rate adjustment for fiscal years (FY) 2012-13 and 2013-14; 100 percent offset by State Realignment revenues as authorized under Assembly Bill 118 and federal Medicaid matching funds:

- 1) Agreement Number PH-001744 with American Hope Health Care Services, Inc. to increase the annual funding by \$20,000, increasing the annual obligation from \$30,000 to \$50,000, and the total maximum obligation from \$90,000 to \$130,000, to provide additional Day Care Habilitative Services;
- 2) Agreement Number PH-001767 with Priority Health Care Services, Inc. to increase the annual funding by \$38,000, increasing the annual obligation from \$12,000 to \$50,000, and the total maximum obligation from \$36,000 to \$112,000, to provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services;
- 3) Agreement Number PH-001795 with California Drug Consultants, Inc. to increase the annual funding by \$200,000, increasing the annual obligation from \$1,776,314 to \$1,976,314, and the total maximum obligation from \$5,328,942 to \$5,728,942, to provide additional Outpatient Drug Free Services;

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- 4) Agreement Number PH-001820 with Life Health Services, Inc. to increase the annual funding by \$50,000, increasing the annual obligation from \$450,000 to \$500,000, and the total maximum obligation from \$1,350,000 to \$1,450,000, to provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services;
- 5) Agreement Number PH-001839 with Phoenix Houses of Los Angeles, Inc. to increase the annual funding by \$100,000, increasing the annual obligation from \$130,794 to \$230,794, and the total maximum obligation from \$392,382 to \$592,382, to provide Day Care Habilitative Services; and
- 6) Agreement Number PH-001750 with Eggleston Youth Centers, Inc. D.B.A. Eggleston Substance Abuse and Education Program to: a) reallocate \$30,000 internally from Day Care Habilitative Services to provide additional Outpatient Drug Free Services, based on the needs of the service area, for the term of July 1, 2011 through June 30, 2012, and b) increase the annual funding by \$50,000, increasing the annual obligation from \$100,000 to \$150,000, and the total maximum obligation from \$300,000 to \$400,000, to provide additional Day Care Habilitative Services.

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