COUNTY OF LOS ANGELES
Public Health

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

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June 7, 2013

TO: Each Supervisor

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

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO AMEND NINE 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 nine DMC amendments as identified in Attachment A, for the term July 1, 2012 through June 30, 2014; 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
#02680

Attachment A

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

Attachment A

DEPARTMENT OF PUBLIC HEALTH
DRUG/MEDI-CAL SERVICES
DELEGATED AUTHORITY AMENDMENT ACTIONS

	AGREEMENT #	CONTRACTOR	ANNUAL FUNDING INCREASE	ANNUAL OBLIGATION		TOTAL MAXIMUM OBLIGATION		IMPACTED SERVICE(S)
				FROM	TO	FROM	TO	
1.	PH-001870-1	A Home for Us, Foundation	$260,000*	$501,700	$761,700	$1,505,100	$2,025,100	Provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services
2.	PH-001791-2	Bernie's Lil Women Center	$335,000*	$465,000	$800,000	$1,395,000	$2,065,000	Provide additional Outpatient Drug Free Services, additional Day Care Habilitative Services and additional Perinatal Outpatient Drug Free Services
3.	PH-001794-5	California Care Corporation	$145,000	$665,000	$810,000	$1,860,000	$2,150,000	Provide additional Outpatient Drug Free Services
4.	PH-001755-3	Gift of Hope and Healing, Inc.	$50,000*	$50,000	$100,000	$150,000	$250,000	Provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services
5.	PH-001759-2	Heritage House of Hope, Inc.	$80,000*	$140,000	$220,000	$420,000	$580,000	Provide additional Outpatient Drug Free Services, additional Day Care Habilitative Services, and decrease funding to Perinatal Outpatient Drug Free Services based on the service needs.

DEPARTMENT OF PUBLIC HEALTH
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DELEGATED AUTHORITY AMENDMENT ACTIONS

	AGREEMENT #	CONTRACTOR	ANNUAL FUNDING INCREASE	ANNUAL OBLIGATION		TOTAL MAXIMUM OBLIGATION		IMPACTED SERVICE(S)
				FROM	TO	FROM	TO	
6.	PH-001829-3	Narcotic Addiction Treatment Agency, Inc.	$50,000*	$450,000	$500,000	$1,350,000	$1,450,000	Provide additional Outpatient Drug Free Services
7.	PH-001845-3	R.I.G.H.T. Program	$265,000*	$1,650,000	$1,915,000	$4,950,000	$5,480,000	Provide additional Day Care Habilitative Services
8.	PH-001778-3	West Coast Counseling Services, Incorporated	$600,767*	$959,233	$1,560,000	$2,877,699	$4,079,233	Provide additional Outpatient Drug Free Services and additional Day Care Habilitative Services
9.	PH-001781-4	West County Medical Corporation	$175,000	$489,371	$664,371	$1,468,113	$1,818,113	Provide additional Narcotic Treatment Program Services

* Reflects rate adjustments for FYs 2012-2014 for all services