



Agenda Date: 9/13/2005
Agenda Placement: 6E

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Shelli Brobst for Randolph F. Snowden - Director
Health & Human Services
REPORT BY: Shelli Brobst, Contracts Analyst, 253-4720
SUBJECT: Amendment No. 2 to Agreement No. 3579 with the Department of Alcohol and Drug Programs

RECOMMENDATION

Director of Health and Human Services requests approval of and authorization for the Chair to sign Amendment No. 2 to revenue Agreement No. 3579 with the California Department of Alcohol and Drug Programs increasing the amount by \$7,426 for a new maximum of \$1,225,857 for Fiscal Year 2004-2005.

EXECUTIVE SUMMARY

This multi-year revenue agreement provides State and Federal funding for most of the Health and Human Services Agency's alcohol and drug programs. The agreement, which covers both Drug Medi-Cal and non-Drug Medi-Cal clients, includes funding for outpatient treatment, residential treatment and prevention services. Amendment No. 2 increases the maximum contract amount from \$1,218,431 to \$1,225,857 for Fiscal Year 2004-2005 to reflect additional Drug Medi-Cal funding.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Substance Abuse Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	This revenue agreement provides funding for substance abuse services in the County. There is a small required county match for the entire NNA (Negotiated Net Amount) agreement (approximately \$25,000), which is included in the County's budget each year.

Napa County received all of its Fiscal Year 2004-2005 NNA funding (including Drug Medi-Cal billing revenue) during Fiscal Year 2004-2005. This after-the-fact amendment reflects a higher maximum amount that was available for billing to Drug Medi-Cal in Fiscal Year 2004-2005 than in the original NNA budget. Napa County captured all available Drug Medi-Cal billing revenue during Fiscal Year 2004-2005.

Is the general fund affected? Yes
Future fiscal impact: This is a multi-year agreement terminating in Fiscal Year 2007-2008.
Consequences if not approved: The contract maximum will be too low.
Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Agreement No. 3579 (referred to as the "Negotiated Net Amount" or NNA agreement) provides most of the State and Federal funding for the Substance Abuse Services Programs provided by the Health and Human Services Agency. The NNA agreement is a multi-year agreement. Normally the County receives the initial NNA agreement ("Amendment No. 1") from the State midway through the fiscal year. This initial agreement is based on the County's previous year's cost report and the State's available funding. The State provides up-front funding in this manner to ensure that Counties have sufficient revenue to operate their programs. Final changes to the NNA budget and any additional available funding are reflected in the form of an amendment to the NNA multi-year agreement ("Amendment No. 2"). While the County actually receives all of the funding during the fiscal year in question, Amendment No. 2 does not occur until after the fiscal year is over.

Amendment No. 2 increases the maximum contract amount from \$1,218,431 to \$1,225,857 for Fiscal Year 2004-2005, which is a \$7,426 increase specifically for the Drug Medi-Cal component of the NNA funding for Fiscal Year 2004-2005. This increase reflects additional Drug Medi-Cal revenue that the State has received and is making available to Counties based on a State-adopted formula. In effect, this increase provides a higher maximum amount available for Napa County to bill to Drug Medi-Cal. However, the revenue that Napa County actually receives for Drug Medi-Cal is based on its billings (up to the new maximum amount available in the amended NNA agreement). As noted above, the County received all of its Fiscal Year 2004-2005 Drug Medi-Cal revenue during Fiscal Year 2004-2005, but Amendment No. 2 does not occur until after the fiscal year is over.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Zialcita