

**Fiscal Year 2018-19  
Budget Allocations  
Overview of Programs, Funding, and Allocation Methodologies**

Exhibit A

This Exhibit describes the Department of Health Care Services' (DHCS) allocation methodologies and programs. For complete information on the terms and conditions of all funds and programs, please refer to your county's State-County SABG contract, Drug Medi-Cal (DMC) contract, or Drug Medi-Cal Organized Delivery System (DMC-ODS) Intergovernmental Agreement.

**BUDGET AUTHORITY FOR DRUG MEDI-CAL**

For DMC, the appropriation of \$8,673,000 of State General Fund (SGF) is designated for services under the State Plan Amendment (SPA). The appropriation is primarily identified to cover the federal match for DMC beneficiaries who qualify under an Affordable Care Act aid code, and for the expanded part of Intensive Outpatient Treatment (IOT) services approved in SPA 13-038.

For the DMC-ODS, the estimate of SGF funds for participating counties is based on projected utilization, county-specific interim rates, and county implementation dates. For FY 2018-19, the SGF estimate under the DMC-ODS waiver is \$148,305,000. For county-specific SGF estimates, please refer to the county's DMC-ODS Intergovernmental Agreement.

**FEDERAL TRUST FUNDS**

The U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) provides the federal Substance Abuse Prevention and Treatment Block Grant (SABG) funds. The block grant program number is 93.959 in the Catalog of Federal Domestic Assistance. While SAMHSA has not released the Federal Fiscal Year (FFY) 2019 block grant award number, DHCS presumes the FFY 2019 block grant award will be the same as the FFY 18 award.

**Substance Abuse Prevention and Treatment Block Grant Award**

The State Fiscal Year (FY) 2018-19 Budget Act Allocation includes funds provided from the FFY 2019 SABG Award. SABG funds from the FFY 2019 award normally become available on October 1<sup>st</sup>, but in recent years, SAMHSA has delayed providing the notice of award. The preliminary allocation presumes the FFY 2019 SABG will continue to be funded at the same level as the FFY 2018 BG award. FFY 2019 funds must be obligated and spent by June 30, 2020.

For the first half of FY 2018-19 (July – December), counties will continue to report cumulative expenses for each award in the Quarterly Federal Financial Management Report (QFFMR). Effective January 2019, however, DHCS is implementing new reporting and payment processes. ([See MHSUDS Information Notice 18-057.](#)) County SABG contracts will address the new requirements, which includes payments based on actual expenses. QFFMRs and supporting detail will be due 60 days after each state fiscal year quarter. Note: Counties' SABG reimbursement is contingent on SAMHSA releasing FFY 19 funds to DHCS.

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SABG funds are allocated to counties to provide program funding for categorical areas of need. These funds are to be spent on those specific areas and cannot be used for other programs unless specified. For example, Prevention funds must be spent on prevention-related services.

**SABG Discretionary FFY 2019 Award - \$158,725,815**

SABG Discretionary funds provide for needed substance use disorder treatment, prevention, and recovery services, including services to specific populations. Those populations include youth, pregnant, and parenting women. In accordance with United States Code (U.S.C.), Title 42, Section 300x-21, SABG Discretionary funds may be spent on planning, carrying out, and evaluating activities to prevent and treat substance use disorders.

For counties with populations less than 40,000, DHCS continues the SABG Exchange Program that allows them to exchange SABG Perinatal Set-Aside and SABG Adolescent and Youth Treatment (AYT) funds for SABG Discretionary funds. For a description of the SABG Exchange Program, please refer to Exhibit C.

For FY 2018-19, DHCS allocated an additional \$2,300,000 based on county population. These funds were made available due to a decrease in technical assistance contracts. Also, since DHCS withheld a portion of Lake County's FY 2017-18 SABG allocation due to noncompliance in cost reporting, the county's FY 2018-19 SABG contract was amended to include the prior year allocation.

**Prevention Set-Aside FFY 2019 Award - \$47,236,112**

U.S.C. Title 42, Section 300x-22(a) requires the State to spend a minimum of twenty percent of the total SABG award to California on primary prevention services. Primary prevention is defined as strategies, programs and services directed at individuals who have not been determined to require treatment for a substance use disorder. A county's spending of the primary prevention funds that DHCS allocates is integral to meeting federal SABG spending requirements.

For the SABG Primary Prevention Set-Aside, counties must have an approved and active prevention plan that adheres to SAMHSA's Strategic Prevention Framework. Priority areas are identified in the plan and strategies are selected, based on evidence where applicable, that will best address the priority areas and populations being served. Strategies may consist of both individual and population-based services using one or more of the six prevention strategies identified by the federal Center for Substance Abuse Prevention. The strategies are: Information Dissemination, Education, Alternatives, Problem Identification and Referral, Community-Based Process, and Environmental.

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DHCS has allocated the SABG Primary Prevention Set-Aside funds based on the FY 2017-18 preliminary allocation level. Lake County's Prevention allocation also reflects the portion of their FY 2017-18 SABG contract amount that was unpaid in the prior year.

**Friday Night Live/Club Live FFY 2019 Award - \$1,104,000**

The Friday Night Live (FNL) program is a youth development program, aimed at high-school youth and designed to prevent alcohol and other drug use. As an extension of FNL, Club Live (CL) aims at middle school-aged students. Also included are FNL Kids, targeting 4<sup>th</sup> through 6<sup>th</sup> grade youth and FNL Mentoring, which co-engages middle and high school-aged students. The FNL/CL funds are combined into a single allocation and all four programs can be funded with FNL/CL funds and SABG Primary Prevention Set-Aside funds.

DHCS will allocate \$1,050,000 in combined funding for these programs. The individual county allocations were based on the FY 2017-18 allocation level. Nine counties have elected not to participate in this program: Alpine, Imperial, Inyo, Kings, Lake, Madera, Modoc, Mono, and Siskiyou. The unused budget authority of \$54,000 is held in reserve for use by the DHCS Policy and Prevention Branch.

**Perinatal Set-Aside FFY 2019 Award - \$17,057,843**

Perinatal Set-Aside funds are used for women-specific services for treatment and recovery from alcohol and other substance use disorders, along with diverse supportive services for California women and their children.

Perinatal programs, as part of the Perinatal Services Network, must meet the requirements set forth in the Perinatal Practice Guidelines (PPG) FY 2018-19. Counties must use these funds to increase or maintain existing perinatal treatment capacity and programs. Counties may also use these funds to add new perinatal services or programs or change existing programs. The PPG are located on the DHCS website at: [https://www.dhcs.ca.gov/individuals/Documents/Perinatal\\_Practice\\_Guidelines\\_FY1819.pdf](https://www.dhcs.ca.gov/individuals/Documents/Perinatal_Practice_Guidelines_FY1819.pdf)

DHCS has allocated the SABG Perinatal Set-Aside funds based on the FY 2017-18 preliminary allocation level. Lake County's Perinatal allocation also reflects the portion of their FY 2017-18 SABG contract amount that was unpaid in the prior year.

**Adolescent and Youth Treatment Program FFY 2019 Award - \$7,334,583**

SABG Adolescent and Youth Treatment (AYT) funds provide comprehensive, age-appropriate, substance use disorder services to youth. The Youth Treatment Guidelines, revised in August 2002, are designed for counties to use in developing and implementing youth treatment programs funded by this allocation. The Guidelines are available on the DHCS website at:

[http://www.dhcs.ca.gov/individuals/Documents/Youth\\_Treatment\\_Guidelines.pdf](http://www.dhcs.ca.gov/individuals/Documents/Youth_Treatment_Guidelines.pdf)

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DHCS has allocated the SABG AYT funds based on the FY 2017-18 preliminary allocation level. Lake County's AYT allocation also reflects the portion of their FY 2017-18 SABG contract amount that was unpaid in the prior year.