



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

DATE: February 1, 2016

MHSUDS INFORMATION NOTICE NO.: 16-003

TO: COUNTY BEHAVIORAL HEALTH PROGRAM DIRECTORS  
COUNTY DRUG & ALCOHOL ADMINISTRATORS  
COUNTY BEHAVIORAL HEALTH DIRECTORS' ASSOCIATION OF CALIFORNIA  
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES  
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS

SUBJECT: STATE FISCAL YEAR 2014-15 BUDGET ACT ALLOCATION v 3.0

**PURPOSE**

The budget for the State Fiscal Year (FY) 2014-15 funding for alcohol and other drug services has been finalized. This notice contains the estimated amount of State General Funds (SGF) used for Drug Medi-Cal (DMC) services and the total federal Substance Abuse Prevention and Treatment Block Grant (SAPT BG) funds out of the FFY 2014 award and the FFY 2015 award that have been allocated to California counties during FY 2014-15.

This notice includes six exhibits:

- (A) Overview of Programs, Funding, and Allocation Methodologies – Exhibit A describes the allocation methodologies and how SAPT BG funds administered by DHCS Substance Use Disorders Prevention, Treatment, and Recovery Services Division may be used.
- (B) Statewide Allocation Summary of DMC SGF and SAPT BG Funds – Exhibit B displays the estimate of each county's DMC SGF expenditure and each county's total SAPT BG allocation from DHCS for substance use disorder prevention/treatment services and programs.
- (C) SAPT BG Exchange Program – Exhibit C provides historical program information; explains the methodology for exchanging SAPT Perinatal, and SAPT Adolescent and Youth Treatment funds for SAPT Discretionary funds; and displays the amounts exchanged.

- (D) Funding Periods for SAPT BG – Exhibit D illustrates the overlapping spending periods for Federal Fiscal Year (FFY) 2015 SAPT BG allocations covered by this information notice and for the prior FFY.
- (F) Estimated County Share of SAPT BG Statewide Maintenance of Effort (MOE) Requirement – Exhibit F displays estimates of each county's spending requirements to assist the State in meeting its BG MOE requirement.
- (G) County Share of SAPT BG Women Services Expenditure Requirement – Exhibit G identifies each county's share of the SAPT BG Women Services Expenditure requirement.

## **DISCUSSION**

### **Highlights of the FY 2014-15 Budget Act v 3.0 Allocation**

The FY 2014-15 Budget Act reflects changes in funding for Drug Medi-Cal Intensive Outpatient (IOT) services and final, adjustments for the federal SAPT Block Grant.

#### **SGF for DMC IOT**

As part of the Medi-Cal benefit plan for SUD services, the IOT service was made available to currently eligible Medi-Cal beneficiaries who meet the criteria for this service. The IOT service for this expanded population is funded with a combination of SGF for DMC services and federal financial participation. The federal Centers for Medicare and Medicaid Services approved California's State Plan Amendment 13-038 effective January 1, 2014. These additional SGF dollars will exclusively support the expanded portion of the IOT service.

#### **SAPT BG**

The Department's practice is to decrease or increase the allocations for both the Prevention Set-Aside and HIV Set-Aside as the award decreases or increases. This is because the allocations for these set-asides are proportions of the grant award. The Department is required to spend at least twenty percent (20%) of the award on primary prevention programs, and is required to spend exactly five percent (5%) of the award on HIV early intervention services.

#### **Estimated SAPT BG Statewide MOE Requirement**

The SAPT BG MOE requirement is contained in Title 42, U.S.C. Section 300x-30. DHCS is required to maintain expenditures for authorized activities at a level that is no less than the average maintained for the two-year period prior to the year for which the State is applying for the SAPT BG.

The purpose of the SAPT BG MOE is to ensure that federal SAPT BG funds are used to supplement, not supplant, state funding. A requirement for receiving SAPT funds is that states also provide state funding for substance use disorder services. The SAPT BG MOE is not a cost sharing or matching requirement. The SAPT BG statutes and regulations do not require the grant program to be matched proportionately with non-federal funds.

Senate Bill (SB) 1014, Chapter 36, Statutes of 2012, amended California Health and Safety Code Section 11814 to require DHCS to notify counties of their estimated share of the SAPT BG statewide MOE requirement and SAPT BG Women Services Expenditure requirement.

Exhibit F communicates the estimated county share of the statewide MOE. The counties' share of the statewide MOE remains at the prior-year estimate of \$183,573,000. The county share of the statewide MOE remains the same as for FY 2012-13.

The determination of whether the State met its SAPT BG statewide MOE is computed and reported annually to the Substance Abuse and Mental Health Services Administration (SAMHSA) in December. The computation includes expenditures of non-federal funds, including county Behavioral Health Subaccount funds distributed for AOD services.

#### SAPT BG Women Services Expenditure Requirement

The SAPT BG Women Services spending requirement is contained in Title 42, U.S.C. Section 300x-22(b). Exhibit G communicates the county share of the Women Services spending requirement. The Women Services spending requirement of \$26,945,590 is fixed at the FFY 1994 spending level. Similar to the statewide MOE requirement, the Women Services spending requirement is computed and reported to SAMHSA annually.

#### Reporting

Counties must report SAPT expenditures by FFY award and program fund and submit Quarterly Federal Financial Management Reports (QFFMRs) no later than 60 days after the end of each quarter. The QFFMRs provide a critical source of current expenditure data.

Reporting of SAPT BG expenditures is a federal requirement contained in 42 U.S.C. Section 300x-22(b)(1)(C) and 45 C.F.R. Section 96.124(c) and (e) and is also required by the County-State contract as Exhibit C, Article V, Item (A)(2).

MHSUDS INFORMATION NOTICE NO.: 16-003  
February 1, 2016  
Page 4

**REFERENCES**

Assembly Bill 110 (Blumenfield, Statutes of 2013) FY 2013-14 Budget  
Assembly Bill 75, Committee on Budget, Alcohol and Drug Programs (Statutes of 2013)

Questions concerning this notice and its exhibits should be directed to:

Maurilio Mendez, Supervisor  
Fiscal Policy Unit  
(916) 327-2696  
1500 Capitol Avenue, MS 2628  
P.O. Box 997413  
Sacramento, CA 95899-7413  
[Maurilio.Mendez@dhcs.ca.gov](mailto:Maurilio.Mendez@dhcs.ca.gov)

Additional copies of this notice and its exhibits may be downloaded from the DHCS website at:

<http://www.dhcs.ca.gov/formsandpubs/Pages/MHSUDS-Information-Notices.aspx>

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director  
Mental Health & Substance Use Disorder Services

Enclosures