

Fiscal Year 2014-15
Budget Act Allocation v 3.0
Overview of Programs, Funding, and Allocation Methodologies

Exhibit A

This exhibit describes the funds and allocation methodologies used for substance use disorder treatment and prevention services delivered in Fiscal Year (FY) 2014-15. For complete information on the terms and conditions of funds and programs, refer to the State-County FY 2014-15 contracts for substance use disorder services.

REIMBURSEMENTS

State General Funds (SGF) for Drug Medi-Cal (DMC) Intensive Outpatient Treatment Service \$19,821,000

This notice includes the allocation of the estimated SGF dollars that were expended by each county for the Intensive Outpatient Treatment (IOT) service which was expanded eligibility as a condition of the Affordable Care Act (ACA). The SGF is in addition to the funds disbursed into each county's Local Revenue Fund, Behavioral Health Subaccount, to provide DMC services to existing beneficiaries.

The ACA requires that newly eligible Medicaid beneficiaries receive coverage of essential health benefits that are equal to or greater than the State-selected benchmark plan authorized by the California Legislature. Newly eligible beneficiaries are those who became eligible for Medi-Cal after January 1, 2014, when the eligibility criteria changed. This new coverage standard is referred to as a Medicaid Alternative Benefit Plan (ABP). Due to the fact that beneficiaries may move between different categories of eligibility, the State conformed DMC services to reflect the ABP standard for all enrollees. As individuals' incomes change, some will obtain health coverage through Covered California when their incomes rise and when their incomes fall significantly, they will obtain coverage through Medi-Cal.

Additional SGF dollars exclusively support the expanded part of the IOT service for the existing Medi-Cal population, and for the population that has been eligible for Medi-Cal, has not been enrolled, and who are expected to enroll and start receiving this service. The expanded part of this service is that part available to beneficiaries other than Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)-eligible youth, pregnant, or postpartum, after January 1, 2014.

On September 5, 2014, the federal Centers for Medicare and Medicaid Services approved California's State Plan Amendment (SPA) 13-038 which made this change effective January 1, 2014. The IOT replaces the previously named Day Care Rehabilitative service which was restricted to EPSDT-eligible youth, and pregnant or postpartum women.

DHCS estimated the percentage of the current DMC beneficiaries who would receive the expanded part of the (IOT) service starting January 1, 2014. Also, there was a population that was eligible for Medi-Cal before January 1, 2014, but was not enrolled. DHCS estimated the percentage of this population that would enroll and receive the expanded part of this service starting January 1, 2014.

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The SGF budget authority was determined from the May 2014 Medi-Cal Estimates process. The total budget authority was \$20,321,000. DHCS reserved \$500,000 to cover unexpected changes that occur during the year, then allocated the remaining \$19,821,000 to counties. Using 2014 Medi-Cal enrollment data by county, DHCS allocated the funds based on each county's proportion of Medi-Cal enrollees aged 21 and older to the total statewide Medi-Cal enrollees aged 21 and older.

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 (SAPT BG) funds. This BG is program number 93.959 in the Catalog of Federal Domestic Assistance. The FFY 2015BG Grant number is 3B08TI010062-15S1.

Substance Abuse Prevention and Treatment Block Grant Award

The FY 2014-15 Budget Act Allocation includes funds from the FFY 2015 SAPT BG Award. SAPT funds from the FFY 2015 award became available on October 1, 2014, and must be obligated and spent by June 30, 2016.

Categorical SAPT funds allocated to counties for specific programs are to be spent on those specific programs and cannot be used for other programs, unless specified. For example, HIV funds must be spent on HIV early intervention services.

SAPT Discretionary FFY 2015 Award - \$141,849,276

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

\$150,000 of SAPT discretionary funds have been allocated to provide funding to all counties for travel to the quarterly California Behavioral Health Director's Association meetings.

For FY 2014-15, DHCS discontinued SAPT funding for the Female Offender Treatment Program (FOTP). DHCS allocated that program's \$637,190 funding to all counties as additional SAPT Discretionary using the standard allocation methodology. This program previously operated only in Los Angeles, Orange, Riverside, and San Bernardino Counties.

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DHCS continues the SAPT BG Exchange Program that allows counties with populations less than 40,000 to exchange SAPT Perinatal Set-Aside, and SAPT Adolescent and Youth Treatment funds for SAPT Discretionary funds.

Prevention Set-Aside FFY 2015 Award - \$47,162,776

Title 42, U.S.C. Section 300x-22(a) requires the State to spend a minimum of twenty percent of the total SAPT BG 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 SAPT spending requirements.

For the SAPT primary Prevention Set-Aside, counties conduct a local needs assessment to determine high need communities/populations and priority issues. Strategies are selected, based on evidence where applicable, that will best address the issues and populations being served. Strategies may consist of both individual- and population-based services that fall into one of the six Center for Substance Abuse Prevention (CSAP) strategies:

- 1) Information dissemination
- 2) Education,
- 3) Alternatives,
- 4) Problem identification and referral,
- 5) Community-based process
- 6) Environmental

The FY 2014-15 funds were allocated at the FY 2013-14 levels.

Friday Night Live/Club Live FFY 2015 Award - \$1,104,000

The Friday Night Live (FNL) program is a youth development program that is designed to prevent alcohol and other drug use. As an extension of FNL; Club Live (CL), FNL Kids, and FNL Mentoring engage middle- and high- school aged students with primary prevention programs funded by the SAPT Primary Prevention Set-Aside funds. The FNL/CL funds are combined into a single allocation, where counties use discretion on whether to spend on FNL and/or CL program services.

DHCS allocated \$1,056,000 in combined funding for these programs, \$1,050,000 from the FFY 2015 Award and 6,000 from the FFY 2014 Award. The individual county allocations were based on the FY 2013-14 allocation level. Nine counties have elected not to participate in this program: Alpine, Imperial, Inyo, Kings, Lake, Madera, Modoc, Mono, and Siskiyou. A total of \$54,000 was held in reserve for use by the DHCS Policy and Prevention Branch with \$15,000 going to support substance use risk factor questions maintained on the Behavioral Risk Factor Surveillance System (BRFSS). The remaining \$39,000 will be used for Technical Assistance and Training from the Friday Night Live Partnership.

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HIV Set-Aside – FFY 2015 Award - \$12,516,180

The HIV Set-Aside funds programs provide HIV early intervention services (EIS) for clients participating in substance use disorder treatment programs. Examples of permissible uses of these funds for those entering or in substance use treatment are: appropriate pre- and post-test counseling, testing for HIV, and testing for other infectious diseases such as Hepatitis C but only if the client is HIV positive, HIV/AIDS education, and screening to determine the appropriate therapeutic measures for preventing and treating the deterioration of the immune system as a result of an HIV infection.

Title 42, U.S.C. Section 300x-24(b)(4) requires that five percent of the total SAPT BG Award be spent on HIV EIS for substance use disorder clients in treatment programs. A county's spending of the HIV funds allocated by DHCS is integral to meeting federal spending requirements. For complete information on HIV Set-Aside expenditure and reporting requirements, please refer to bulletins numbered 04-12, 12-01, 12-05, and 13-03.

The HIV Set-Aside allocation has been updated using methodology provided by the California Department of Public Health's, Office of AIDS and will be used to allocate funds.

Weighting	Needs-Based Data Factors
75.0%	People Living with HIV and AIDS, excluding prison cases, reported by the Office of AIDS as of December 2012, reported through January 2014
15.0%	African American population (2010 U.S. Census)
5.0%	Hispanic population (2010 U.S. Census)
5.0%	People living below federal poverty level (2010 US Census)
100.0%	Total

To provide the smallest counties with sufficient funding to operate a viable program, each participating county will receive a minimum allocation of \$7,500 in HIV funds. Six counties have declined the HIV funds: Alpine, Calaveras, Colusa, Mariposa, Sierra, and Trinity.

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Perinatal Set-Aside FFY 2015 Award - \$17,054,000

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 Services Network Guidelines 2014. 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 guidelines are accessible on the website at <http://www.dhcs.ca.gov/individuals/Documents/PSNG2014Final21214.pdf>.

SAPT Perinatal is a component of the SAPT BG Exchange Program. DHCS will initially allocate the Perinatal funds at the FY 2013-14 level. The allocation will then be adjusted through the Exchange Program. For further information on how the Exchange Program affects a specific county's Perinatal Set-Aside allocation, please refer to Exhibit C.

San Bernardino County returned \$500,000 of perinatal funding; this funding was redirected to Alameda, Contra Costa, Sacramento and San Diego with each county receiving \$125,000.

Siskiyou County funds were lowered by \$62,642 due to underspending. This amount was distributed to counties who had met their QFFMR expenditure requirements for SFY 2014-15.

Adolescent and Youth Treatment Program FFY 2015 Award - \$7,326,561

SAPT Adolescent and Youth Treatment 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 website at: <http://www.dhcs.ca.gov/individuals/Pages/Youth-Treatment-SUD.aspx>

Cost data for the FFY 2012 allocations is the most recent cost data available. Eleven counties under-spent their FFY 2012 Adolescent and Youth Treatment allocations by \$113,001. Consequently, DHCS adjusted the allocation for FY 2014-15 of those under-spending counties. For counties that under-spent their FFY 2012 allocation, DHCS allocated in FY 2014-15 the amount spent of the FFY 2012 allocation to match the county current need.

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Youth Treatment funding is a component of the SAPT BG Exchange Program. DHCS will initially allocate the Adolescent and Youth Treatment funds at the FY 2013-14 levels. DHCS then made the under-spending adjustments. DHCS then adjusted the allocation through the Exchange Program. For more information on how the Exchange Program affects a specific county's Adolescent and Youth Treatment funds allocation, please refer to Exhibit C.

Siskiyou County funds were lowered by \$190,093 due to underspending. This amount was distributed to counties who had met their QFFMR expenditure requirements for SFY 2014-15.