

DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

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**ADP BULLETIN**

Title Drug Medi-Cal State General Fund Recoupment		Issue Date: MAR 13, 2012 Expiration Date: NA	Issue No. 12 - 06
Deputy Director Approval dave neilsen Deputy Director Program Services Division	Function: (Check one.) <input type="checkbox"/> Information Management <input type="checkbox"/> Quality Assurance <input type="checkbox"/> Service Delivery <input checked="" type="checkbox"/> Fiscal <input type="checkbox"/> Administration <input type="checkbox"/>	Supersedes Bulletin/ADP Letter No.	

PURPOSE

The purpose of this bulletin is to inform all counties that the Department of Alcohol and Drug Programs (ADP) will begin recouping the State General Funds (SGF) that were paid for state Fiscal Year (FY) 2011-12 Drug Medi-Cal (DMC) services. This recoupment of funding is the result of the realignment of the DMC non-federal funding to the counties effective July 1, 2011.

DISCUSSION

When realignment became effective July 1, 2011, SGF DMC payments were issued for July and August of 2011 county claims and July through November of 2011 for most direct contract provider claims (and through December 2011 for certain specified direct contract provider claims), to ensure a smooth transition until the realignment revenues began flowing to the counties. Since realignment funds are for services effective July 1, 2011, the SGF paid to the counties must be recovered (see ADP Bulletin 11-11 dated October 7, 2011).

In order to minimize the impact to the counties, and in consultation with the County Alcohol and Drug Program Administrators' Association of California and the California State Association of Counties, the following approach will be taken to recoup the funds:

1. Regardless of the service month, ADP has discontinued issuing any further DMC payments using SGF to counties and direct contract providers for approved DMC claims as of February 16, 2012.



2. Beginning immediately, the actual recoupment of funds will be handled through an offset with DMC Federal Financial Participation (FFP) associated with future approved DMC claims. The recoupment of these funds will be handled by withholding future monthly county FFP until the SGF amount paid to each county, including the SGF amounts paid to the direct contract provider in each county, has been fully restored (see Exhibit A for county-by-county amounts). On a per county basis, once the SGF recoupment has been completed, the FFP payments will resume for the county.
3. Additionally, effective immediately, the county must submit the DMC Certification for Federal Reimbursement form (Form ADP 100224A) for any claim files submitted and paid with SGF for the July and August 2011 service months. Refer to ADP Bulletin 11-17, dated December 2, 2011 for information and instructions.

For counties that do not participate in the DMC program but for which ADP contracts directly with providers, ADP will invoice the county for the SGF amount paid to the provider for July through November 2011 claims, or through December 2011 for specific counties.

REFERENCES

Fiscal Year 2011-12 enacted State Budget
Chapter 40, Statutes of 2011 (Assembly Bill 118)
Chapter 13, Statutes of 2011, First Extraordinary Session (ABX1 16)

BACKGROUND

Prior to the change in the State Budget and law, ADP received SGF appropriations to issue reimbursement for DMC funding. As identified in ADP Bulletin 11-11 dated October 7, 2011, ADP referenced the authority to reimburse counties for DMC services provided through August 31, 2011 and that those state costs would be reimbursed at a later date.

QUESTIONS/MAINTENANCE

If you have questions regarding this bulletin, please contact your assigned Fiscal Management and Accountability Branch (FMAB) analyst. Enclosed is a copy of the FMAB county assignment listing and direct contract provider assignment listing. This bulletin is available on the ADP Web page at www.adp.ca.gov.

EXHIBITS

Exhibit A: Listing of SGF paid for DMC in FY 2011-12 as of February 16, 2012;

Exhibit B: DMC Certification for Federal Reimbursement form
(Form ADP 100224A);

Exhibit C: FMAB County Assignment Listing;

Exhibit D: FMAB Direct Contract Provider Assignment Listing.

DISTRIBUTION

County Alcohol and Drug Program Administrators

Director's Advisory Council

Strategic Local Government Services, LLC

Drug Medi-Cal Direct Contract Providers

California State Association of Counties