



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



December 2, 2022

THIS LETTER SENT VIA EMAIL

Hon. Leona Williams, Chairperson
Pinoleville Pomo Nation
leonaw@PINOLEVILLE-NSN.gov

Todd Metcalf, Administrator
Lake County Behavioral Health
todd.metcalf@lakecountyca.gov

DHCS RESPONSE TO LAKE COUNTY'S BEHAVIORAL HEALTH OCTOBER 27, 2022
LETTER

Dear Ms. Williams and Mr. Metcalf,

The Department of Healthcare Services (DHCS) is in receipt of your letter on October 27, 2022, requesting an expedited review of a proposed intergovernmental financing agreement. The Department of Healthcare Services (DHCS) is aware that Lake County Behavioral Health has entered into a contract with an Indian Healthcare Provider (IHCP) to provide Drug Medi-Cal (DMC) Narcotic Treatment Program (NTP) services to Lake County Medi-Cal beneficiaries. Lake County Behavioral Health is paying the IHCP the Office of Management and Budget All-Inclusive Rate (OMB-AIR), which is more than the NTP rate established by DHCS. The IHCP has offered to cover the nonfederal share of the OMB-AIR to eliminate the financial impact on the county.

So long as appropriate safeguards are in place to ensure that all federal requirements at Subpart B of 42 CFR Part 433 have been met, including that only qualifying public funds under the administrative control of Lake County are used for the DMC services, there is no prohibition on Lake County entering into an intergovernmental transfer arrangement with a public agency, which could include a qualifying IHCP, to provide a portion of the public funds used for the nonfederal share of DMC expenditures by Lake County. If Lake County chooses to do so, they should maintain documentation sufficient to evidence the allowability of those funds and associated transfers for this purpose. Further, Lake County will remain obligated to certify their expenditures in accordance with the existing DMC Certified Public Expenditure (CPE) Certification Form (DHCS 100224A (Revised 7/2014)) and is liable for any violation of state or federal laws, including but not limited to any deferral or disallowance of federal funds resulting from the use of ineligible funds, or the certification of ineligible costs.

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In order to facilitate Lake County's development of such an arrangement, DHCS is happy to offer suggestions on how Lake County might design a process with the IHCP by which the IHCP provides the nonfederal share of these payments.

Please contact Brian Fitzgerald, Chief, Local Governmental Financing Division, by e-mail at Brian.Fitzgerald@dhcs.ca.gov if you have any questions about or would like to discuss DHCS suggested process for setting up such an arrangement.

Sincerely,



Jacey Cooper
State Medicaid Director
Chief Deputy Director
Health Care Programs

cc: Ms. Lindy Harrington
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