

**Government of the District of Columbia
Office of the Chief Financial Officer**

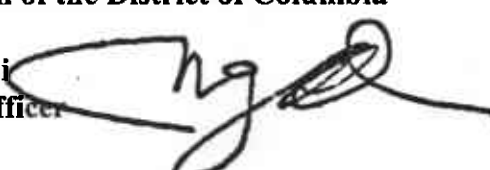


Natwar M. Gandhi
Chief Financial Officer

RECEIVED
2005 MAY -6 PM 3:41
CHAIRMAN CHOPP

MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: MAY -6 2005

SUBJECT: Fiscal Impact Statement: "Chronimed, Incorporated Payment Authorization Act of 2005"

REFERENCE: Draft Legislation to be Introduced

Conclusion

Funds are sufficient in the FY 2005 and the Mayor's proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation.

Background

The proposed legislation authorizes a payment of \$2,166,988.00 to Chronimed, Incorporated. Chronimed provided pharmacy goods and services to the District's Department of Mental Health for a period beginning November 5, 2002 through February 26, 2003. Although Chronimed made a claim for \$2,188,294.30, the authorized payment is a negotiated settlement as the result of an action by the District's Contract Appeals Board.

Financial Plan Impact

The proposed legislation authorizes a settlement payment of \$2,166,988.00 to Chronimed, Incorporated. Accrued FY 2003 and FY 2004 funds have been encumbered in an amount sufficient to make the settlement payment.