



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



ARNOLD SCHWARZENEGGER
Governor

January 10, 2008

CCS Information Notice. No: 08-02

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS, AND STATE CHILDREN'S MEDICAL SERVICES
(CMS) BRANCH STAFF

SUBJECT: Proposed Budget Reductions in Reimbursement to Counties for the CCS
Medical Therapy Program

This Information Notice is to provide local CCS programs and State CMS Branch staff with an overview regarding the Governor's budget proposal to reduce State reimbursement to the counties for the Medical Therapy Program (MTP). This proposal would reduce the Department of Health Care Services State General Fund (GF) reimbursement to counties for the CCS MTP by ten percent.

This budget reduction proposal is currently in the Governor's Budget for Fiscal Year 2008-09 and is in response to a projected GF budget shortfall in excess of \$3.3 billion in the current year budget and a projected \$14 billion in the 2008/09 budget year. Under current law, the Governor has the authority to declare a fiscal emergency if the State faces substantial revenue shortfalls or expenditures increases. The Governor has exercised his authority to call a special session of the legislature to address the State's fiscal shortfall and develop budget language in response to the budget deficit. This proposed budget reduction has been developed as a result of the State's fiscal emergency.

The CCS MTP activities are funded with both State General funds and county funds. Positions are either funded 50 percent State GF and 50 percent County Funds or 100 percent State GF. The State reimburses counties for the cost of providing MTP services as reported on county quarterly invoices. The proposed reduction would be structured to be applied to State GF reimbursements of county quarterly invoices.

Until the Budget Act is signed by the Governor, this proposal is to be considered pending approval. Many changes occur during the budget process and variations of budget reductions proposals often go through multiple revisions and amendments

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before a final version is approved. During this time we are committed to keeping you advised of this proposal's passage throughout the legislative process.

In order to provide you with the opportunity to ask questions about this proposal, we have scheduled two conference calls:

January 14, 2008, 1:30 PM to 3:00 PM, and

January 17, 2008, 10:00 AM to 11:30 AM

The conference call line is 877-675-1807, Participant Code 648955

Original Signed by Marian Dalsey, M.D., M.P.H.

Marian Dalsey, M.D., M.P.H., Chief
Children's Medical Services Branch