STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
CRAMENTO, CA 95814
(916) 445-1912

December 24, 1986

TO: All County Welfare Directors
All County Administrative Officers

Letter No.: 86-76

SUBJECT: MEDI-CAL SPECIAL NOTICE

This is to notify you that the attached special notice is a copy of the Department's notice of intent to change certain maximum allowable Medi-Cal reimbursement rates effective February 1, 1987. Pursuant to federal requirements this notice must be made available to the public before the effective date of the change. Please post a copy of this notice in all of your reception areas commencing no later than December 31, 1986 through January 31, 1987.

If you have any questions regarding the posting of this special notice, please contact Karla Gurley of my staff at (916) 445-1912.

Sincerely,

Original signed by

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: February 1, 1987

NOTICE OF ADMINISTRATIVE ACTION

Notice is hereby given, pursuant to the requirements of 42 CFR § 447.205, that the Director of the Department of Health Services intends to reduce by ten percent the maximum allowable reimbursement for services to providers under the Medi-Cal Program, across the board, in each of the following categories: physician (except maternity care services), other medical (except rural health clinics), hospital outpatient, drug ingredients and dispensing fee, transportation, other services, home health, Child Health and Disability Prevention, and Adult Day Health Care. This action is proposed to take effect for services rendered on or after February 1, 1987.

The ten percent reduction is being made under the authority of Welfare and Institutions Code Section 14120, because of an anticipated shortfall in the Medi-Cal budget for the fiscal year 1986/87. The estimated decrease in General Fund expenditures expected from this action is $18.704 million in this fiscal year.

This notice of the proposed changes is available for public review in the County Welfare offices of each county. Written comments by interested persons may be sent to the Rate Development Branch, Department of Health Services, 714 P Street, Room 1550, Sacramento, California 95814, where they may be reviewed by the public.

The record of the meeting of the Advisory Committee on Health and Medical Care Services of December 17, 1986, relating to this action, is available for public examination upon request to the Office of External Affairs, Department of Health Services, 714 P Street, Room 1350, Sacramento, California 95814.