



C A L I F O R N I A D E P A R T M E N T O F

Mental Health

1600 9th Street, Sacramento, CA 95814
(916) 654-2309

July 31, 2009

DMH INFORMATION NOTICE NO.: 09-13

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

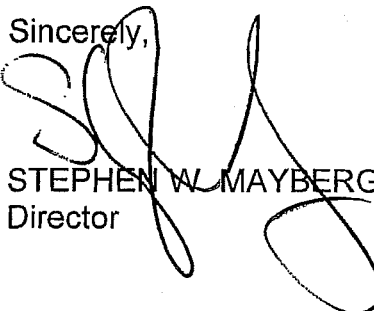
SUBJECT: NOTIFICATION FOR DISCONTINUANCE OF NEGOTIATED RATES
IN COST SETTLEMENT FOR SHORT- DOYLE/ MEDI-CAL (SD/MC)
SERVICES

The Federal Office of the Inspector General and Centers for Medicare and Medicaid Services have determined that the current state policy for the Short-Doyle/Medi-Cal negotiated rate process pursuant to Welfare and Institutions Code, Section 5705, is inconsistent with federal law and the California State Medicaid Plan.

Counties may still negotiate rates with legal entities for payment of services; however, Federal Financial Participation determined from cost report settlement for the period January 1, 2009, through June 30, 2009, and all fiscal years thereafter, will be determined based on lower of cost, published charges (unless a nominal charge provider), or statewide maximum allowances.

If you have any questions or comments, please contact Sandra Zajkowski, Chief, Local Programming Financial Support, at (916) 651-3137.

Sincerely,



STEPHEN W. MAYBERG, Ph.D.
Director