

COUNTY OF EL DORADO

330 Fair Lane
Placerville, CA 95667
(530) 621-5390
(530) 622-3645 Fax

SUZANNE ALLEN DE SANCHEZ
Clerk of the Board



BOARD OF SUPERVISORS

JOHN R. KNIGHT
District I
RAY NUTTING
District II
JAMES R. SWEENEY
District III
RON BRIGGS
District IV
NORMA SANTIAGO
District V

April 19, 2011

The Honorable Wesley Chesbro
State Capitol, Room 2141
Sacramento, CA 95814

Re: AB 1297 (Chesbro) Medi-Cal: Mental Health – SUPPORT

Dear Assembly Member Chesbro:

On behalf of the County of El Dorado I am writing in support of your bill, AB 1297, which will ensure timely Federal Medicaid reimbursement for Specialty Medi-Cal Mental Health Managed Care services for California's Medi-Cal Beneficiaries living with serious mental illness.

AB 1297 will bring the State's requirements for the Specialty Medi-Cal Mental Health Managed Care program into alignment with Federal requirements in order to maximize Federal reimbursement. During these difficult economic times, it is vital that California's public mental health system avail itself of all available Federal resources.

AB 1297 requires Federal reimbursement amounts to be consistent with Federal Medicaid requirements. Currently, California uses administratively-established Statewide Maximum Allowances (SMAs), which have been frozen since Fiscal Year 2006-07. By utilizing Federal Medicaid Upper Payment Limits instead of SMAs, counties will be able to fully recover Federal reimbursement for the costs they incur in serving eligible populations.

Additionally, AB 1297 eliminates the current 15% limit on reimbursement for administrative costs since, as government entities that certify the full public expenditure of funds in order to draw down Federal matching funds, counties are entitled to be fully reimbursed by the Federal government for the cost of providing services.

AB 1297 brings the State's required timeframe for Medicaid claims to be submitted into conformance with Federal requirements. While there is currently an administratively-established deadline of six months for Specialty Medi-Cal Mental Health Managed Care claims to be submitted, Federal requirements permit claims to be submitted within twelve months.

Finally, since the bill's provisions target Federal Medicaid requirements and reimbursement, AB 1297 will not result in costs for the State General Fund. However, it is likely this will result in the generation of significant additional Federal Medicaid funds for the Medi-Cal Specialty Mental Health Managed Care program in California.

For these reasons, we are pleased to support AB 1297.

Sincerely,

Raymond J. Nutting, Chair
Board of Supervisors