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

March 12, 2008

DMH INFORMATION NOTICE NO.: 08-06

TO: LOCAL MENTAL HEALTH DIRECTORS

LOCAL MENTAL HEALTH PROGRAM CHIEFS LOCAL MENTAL HEALTH ADMINISTRATORS

COUNTY ADMINISTRATIVE OFFICERS

CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: REVISED FISCAL YEAR 2007-08 MAXIMUM RATE LIMITS FOR

SHORT-DOYLE/MEDI-CAL SERVICES

This letter transmits the <u>Revised</u> Fiscal Year (FY) 2007-08 maximum reimbursement rates for Short-Doyle/Medi-Cal (SD/MC) services as required by Welfare & Institutions Code (W&IC) Section 5720(a) and (b). These Statewide Maximum Allowances (SMA) will apply to all SD/MC eligible services by service function, for the time period of July 1, 2007 through June 30, 2008.

The enclosed FY 2007-08 SMA rate schedule reflects <u>Revised</u> maximum reimbursement rates pursuant to the provisions of Assembly Bill X3 3, which amends the Budget Act of 2007. The revised rates reflect the elimination of the Home Health Market Basket Cost of Living Adjustment (COLA) for eligible services rendered March 1, 2008 through June 30, 2008, <u>with the exception of 24-hour services</u>.

For the period July 1, 2007 through February 29, 2008, the SMA rate for reimbursement reflects the annual inflation indicated in the Home Health Agency Market Basket Index for Day Services and Outpatient Services.

This letter and rate schedule will be available on the DMH website. If you have any questions or need additional information, please contact Marilyn Liddicoat, Chief, Cost Reporting/Financial Support, at (916) 651-6368.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D. Director

Enclosure