

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Supervisor Jeff Stone, Third District

**SUBMITTAL DATE:**  
April 1, 2008

**SUBJECT:** Medi-Cal Funding for Mental Health Services

**RECOMMENDED MOTION:** That the Board direct the Riverside County Mental Health Director to notify the California State Director of Mental Health that Medi-Cal funding provided to Riverside County is not sufficient for the psychiatric care required for residents of Riverside County. If sufficient funding is not provided by the State, the Riverside County Mental Health Director may terminate the County's participation in the State's Medi-Cal Mental Health Plan.

**BACKGROUND:** The State is already implementing a reduction in Medi-Cal rates through administrative action and currently is proposing a 10% cut in Medi-Cal funding.

- 1) From 1995 to 1998 the State transferred the responsibility for the Mental Health Medi-Cal program to counties. Counties were given the option to take on this new responsibility.
- 2) Counties assumed that their Mental Health Medi-Cal Plans would receive additional funds yearly beyond the base allocation for increases in beneficiary caseloads and for increases in costs-of-doing-business.
- 3) Since Medi-Cal consolidation in 1995, administrative requirements from the State have grown dramatically.

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Jeff Stone, Supervisor

- 4) Most importantly, counties have not received COLA's for the Medi-Cal program since 2000. In the FY 03-04 state budget, the Medi-Cal allocation was actually reduced by 5%.
- 5) In FY 02-03, a 10% county share-of-cost was imposed by the State Department of Mental Health for all Children's Medi-Cal Services.
- 6) Since 2000, the Riverside County population has grown from 1.5 million to 2 million. Medi-Cal beneficiaries grew from 275,000 to 419,000.
- 7) In the past eight years the county general fund budget dedicated to the mental health program has grown from \$1.8 million to \$16.5 million, partially offsetting the State's inadequate funding dedicated to the mental health programs.
- 8) In addition to the County's general fund, Realignment is also used to pay for Medi-Cal costs that are increasing yearly at 3 to 5 % (based on the Medical Consumer Price Index).
- 9) Participation in the Medi-Cal program is at the discretion of individual counties and remains a voluntary contract for counties.