



April 25, 2011

The Honorable Bill Emmerson
State Capitol, Room 4082
Sacramento, CA 95814

**SUBJECT: SB 743 (Emmerson) Medical Providers Interim Payment Fund
As Amended March 30, 2011 – SUPPORT
Set for Hearing in Senate Appropriations Committee on May 2, 2011**

Dear Senator Emmerson:

On behalf of the California Mental Health Directors Association (CMHDA), which represents the directors of public mental health authorities in counties throughout California, I am writing to communicate our support of your Senate Bill 743, which increases the state General Fund loan amount the Controller may transfer to the Medical Providers Interim Payment (MPIP) Fund. In the event a state budget has not been signed by July 1, SB 743 requires the State Controller to transfer up to \$2 billion to the MPIP Fund to cover payments to Medi-Cal providers, which includes counties providing Medi-Cal Specialty Mental Health Managed Care services.

Currently, counties pay for the full cost of Medi-Cal Specialty Mental Health Managed Care services while awaiting reimbursement from the state and federal governments. The timeframe for being reimbursed can vary from 4-6 months to two years. To meet this up-front payment requirement, county mental health departments often find themselves in the position of borrowing from the county general fund (or other lenders) and incurring the associated interest costs (which are not eligible for state or federal reimbursement). Given the state and local budget crises, providing care without reimbursement has become increasingly untenable for counties. In times of delayed state budget, it is vital that the MPIP Fund contain the resources necessary to ensure continued cash flow to counties who – despite reimbursement delays – must continue to provide the Medi-Cal Specialty Mental Health services to which beneficiaries are entitled.

For these reasons, CMHDA is pleased to support SB 743. Please do not hesitate to contact me at (916) 556-3477, ext. 112, or kbarlow@cmhda.org with any questions you may have.

Sincerely,

Kirsten Barlow
Associate Director, Legislation and Public Policy

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Cc: Honorable Chair and Members, Senate Appropriations Committee
Kelly Brooks, California State Association of Counties
Mickey Richie, Regional Council of Rural Counties