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OF CALIFORNIA—HEALTH AND WELFARE AGENCY

PETE WILSON, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320

(916) 445-0188

REVISED

February 25, 1991

J. William Cox, M.D., Ph.D.
Director
Department of Health Services
County of San Diego
1700 Pacific Highway
San Diego, CA 92101-2417

Dear Dr. Cox:

I have received your February 14, 1991 letter which indicates your intent to terminate the County Medical Services (CMS) program effective midnight March 15, 1991. I have asked the Department's legal staff to review your proposed action to determine the effect it will have on fiscal year (FY) 1990-91 funding you receive through the Medically Indigent Services Program (MISP), AB 8 County Health Services (CHS) program, and the California Healthcare for Indigents Program (CHIP). We recognize that this issue will be the subject of significant local discussion, and we are available to assist you in reviewing your local options and exploring potential solutions.

As you and the Board of Supervisors consider this action, you should be aware that based on our preliminary review, it would appear that termination of the CMS program and the resultant reduction in services to indigents may have the following consequences:

1. Your county may become ineligible for the receipt of CHIP funds under the provisions of Assembly Bill 75. Section 16995 of the Welfare and Institutions (W&I) Code prohibits a county from imposing more stringent eligibility standards for the receipt of benefits under Section 17000 of the W&I Code or reducing the scope of benefits compared to those which were in effect on November 8, 1988. The termination of the CMS program appears to be a reduction of eligibility and benefits for county indigents and the Department would have no other option but to terminate your CHIP funding.

2. The Department may not be able to enter into a standard agreement with your county for the receipt of FY 1990-91 CHS and MISP funds, as well as CHIP funds. Our legal staff are