**Legal Title**  
Children’s Medical Services Rebate Fund

**Legal Citation/Authority**  
Chapter 228, Statutes of 2004 (SB 1103)  
Health and Safety Code section 123223(a)

**Fund Classification**  
**GAAP Basis**  
Governmental/Special Revenue Funds  
**Legal Basis**  
Governmental/Other Governmental Cost Funds

**Purpose**  
The Children’s Medical Services Rebate Fund was created to deposit all rebates for the delivery of health care, medical supplies, pharmaceuticals, including blood replacement products, and equipment for clients enrolled in the state funded Genetically Handicapped Person’s Program, Chapter 2 (commencing with Section 125125) of Part 5, and the California Children’s Services Program, Article 5 (commencing with Section 123800) of Chapter 3 of Part 2.

Notwithstanding Section 16305.7 of the Government Code, all interest earned on this money will be deposited into this fund exclusively to cover the costs related to services, and the administration of services, provided through the Genetically Handicapped Person’s Program and California Children’s Services Program.

**Administering Agency/Organization Code**  
Department of Health Care Services/Org 4260

**Major Revenue Source**  
Rebates from vendors.

**Disposition of Fund (upon abolishment)**  
Pursuant to Government Code 16346, in the absence of language that identifies a successor fund, any balance remaining in this fund upon abolishment shall be transferred to the General Fund.

**Appropriation Authority**  
Notwithstanding Section 13340 of the Government Code, the money in the Children’s Medical Services Rebate Fund is continuously appropriated without regard to fiscal year to the Department of Health Services for expenditures as specified in Section 123223.

**State Appropriations Limit**  
Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from rebates.

**Comments/Historical Information**