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State/Territory Name: California

State Plan Amendment (SPA) #: 16-014

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

JUL 13 2016

Mari Cantwell
Chief Deputy Director, Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

RE: California State Plan Amendment 16-014

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 16-014. This amendment changes language pertaining to the payment processing timeline for supplemental payments made to qualified private hospitals, effective May 14, 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 16-014 is approved effective May 14, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561.

Sincerely,

A black rectangular box used to redact the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
16-014

2. STATE
California

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
May 14, 2016

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 \$0 \$10,824,132
b. FFY 2017 \$0 \$11,884,462

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 4 to Attachment 4.19A, pages 9—10 Page 9, Page 11

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Supplement 4 to Attachment 4.19A, pages 9—10 Page 9, Page 11

10. SUBJECT OF AMENDMENT:
SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
The Governor's Office does not
wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mari Cantwell

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

16. RETURN TO:

Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
P.O. Box 997417
Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: JUL 13 2016

PLAN APPROVED — ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
MAY 14 2016

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Kristin Fan

22. TITLE: Director, FMC

23. REMARKS:

Pen-and-ink changes made by Regional Office to Boxes 7, 8, and 9 with state concurrence.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA**

SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS

offset the amount to be recovered against any Medi-Cal payments which otherwise would be payable by the Department to the hospital, pursuant to Welfare and Institutions Code section 14155.5

- g. If the fund balance after Round A and B payments is lower than the amount needed to pay in Round C under paragraph C.1.b., then a pro rata amount will be applied to the Round C amounts payable to all eligible hospitals. The total computable received in Round A and B will be subtracted from \$237,144,384 for SFY 2015-16 and \$236,800,000 for SFYs 2016-17 and 2017-18 to determine the remaining balance to be distributed in Round C of the respective SFY. The remaining balance will be divided by the total computable for Round C as determined in C.1.f. That percentage will be applied to each hospital's Round C amount as determined in C.1.f. to determine the Round C pro rata amounts.

D. Additional Supplemental Payments

Based on historical payments, the following private hospitals shall receive additional supplemental funding for SFYs 2015-16, 2016-17 and 2017-18.

No payment under this supplement is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

1. In addition to receiving PHSF payments under Section C, the following private hospitals shall receive additional supplemental payments in the fourth quarter, or soon thereafter as practicable, of each SFY for the listed periods in the listed amounts:

SFY 2015-16

St. Rose Hospital	\$16,000,000
Children's Hospital and Research Center at Oakland	\$3,000,000
Grossmont Hospital	\$2,000,000

SFY 2016-17

St. Rose Hospital	\$16,000,000
Children's Hospital and Research Center at Oakland	\$3,000,000

TN No. 16-014
Supersedes:
TN No. 15-003

Approval Date JUL 13 2016

Effective Date: May 14, 2016

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA**

SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS

The supplemental payments to hospitals pursuant to this Section D.2, to ensure the availability of essential services for Medi-Cal beneficiaries, are in addition to all other amounts payable for inpatient hospital services under Attachment 4.19-A. Supplemental payments to each hospital for each SFY shall be determined by multiplying the number of uninsured inpatient days provided by the hospital in the SFY immediately prior to the relevant payment SFY times \$2,100, except that, in the case of St. Francis Medical Center, the number of prior year uninsured inpatient days will be multiplied by \$2,400. The number of uninsured inpatient days in the prior SFY for purposes of this determination shall be as reported by participating hospitals to, and verified by, the County of Los Angeles as of the February 1 prior to the close of the relevant payment SFY.

The supplemental payments to hospitals under this Section D.2 shall not exceed \$4,000,000 in the aggregate for each SFY. Payments to hospitals shall be reduced on a pro rata basis as necessary to ensure the annual aggregate annual limit is not exceeded. Supplemental payments made under this Section D.2 shall be made in the fourth quarter of the current payment year or soon thereafter as practicable.

E. DEPARTMENT'S RESPONSIBILITIES

1. Medi-Cal reimbursement provided to private hospitals will not exceed applicable federal upper payment limits, including title 42 Code of Federal Regulations sections 447.271 and 447.272.
2. The payments in this Supplement 4 for each SFY will be made no later than the end of the next SFY.