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State/Territory Name: California

State Plan Amendment (SPA) #: 16-015

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 20 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 16-015

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 16-015. This amendment revises the governmental hospital supplemental payment program in Supplement 2 of Attachment 4.19-A by allowing for an interim payment and reconciliation process, 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 16-015 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 redaction box covering the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
16-015

2. STATE
California

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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	\$55,486,138	\$0
b. FFY 2017	\$63,881,191	\$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 2 to Attachment 4.19A, page 6.a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):
Supplement 2 to Attachment 4.19A, pages 1-6

10. SUBJECT OF AMENDMENT:
SUPPLEMENTAL REIMBURSEMENT FOR INPATIENT HOSPITAL SERVICES

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor's Office does not
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL 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 20 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, FMG

23. REMARKS:
Pen-and-ink changes made by state on 7/18/2016.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

SUPPLEMENTAL REIMBURSEMENT FOR INPATIENT HOSPITAL SERVICES

Interim Supplemental Payments:

In the event that the UPL is not finalized by April 1st of the current SFY, DHCS will calculate an interim supplemental payment to be paid to the current SFY's eligible hospitals.

The interim supplemental payment will be calculated using 80 percent of the most recent prior SFY's finalized UPL room. Interim supplemental payments will be processed and paid in the fourth quarter of the SFY.

Once the current SFY's UPL is finalized the interim supplemental payments will be reconciled to the final UPL room amount. The final supplemental payments for the current SFY will be made no later than the end of the following SFY.

- i. If at the end of the reconciliation process, it is determined that the hospital received an overpayment, the overpayment will be collected from the hospital.
- ii. If at the end of the reconciliation process, it is determined that the hospital received an underpayment, the final calculated payment amount due to the hospital will be processed.

TN No. 16-015
Supersedes:
TN No. NONE

Approval Date: JUL 20 2016 Effective Date: May 14, 2016