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State/Territory Name: California

State Plan Amendment (SPA) #: 17-028

This file contains the following documents in the order listed:

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

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

NOV 28 2017

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 17-028

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 17-028. This amendment, effective August 1, 2017, provides a one-year supplemental payment for intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs).

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) 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 17-028 is approved effective August 1, 2017. 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,

[redacted]

Kristin Fan
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 17-028

2. STATE: CALIFORNIA

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

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

4. PROPOSED EFFECTIVE DATE
August 1, 2017

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:

Title 42 § CFR ~~403.702~~ 447 Subpart C

7. FEDERAL BUDGET IMPACT:
A. FFY 2016/17 $ ~~1,742,000~~ 1,792,056
B. FFY 2017/18 $ ~~8,708,000~~ 8,960,278

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Page 35

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

N/A

10. SUBJECT OF AMENDMENT:
The Department of Health Care Services (DHCS) is amending the State Amendment Plan (SPA) Attachment 4.19-D, to authorize a time-limited supplemental payment program for Intermediate Care Facilities for the Developmentally Disabled, including Habilitative and Nursing facilities. California voters approved Prop. 56, which allocates a portion of the tobacco tax revenue for specified DHCS health care expenditures during the 2017-18 state fiscal year. This program will provide a supplemental payment calculated based on the difference between the current methodology and the unfrozen 2017-18 rate, as long as the total Medi-Cal reimbursement does not exceed any applicable federal upper payment limit. This supplemental payment would be in addition to the rate they receive under the current reimbursement methodology.

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:
[redacted]

13. TYPED NAME:
Mari Cantwell

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
9/25/2017

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
NOV 28 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
AUG 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Kristin Fan

22. TITLE:
Director, FMG

23. REMARKS:
Pen-and-ink changes made to Boxes 6 and 7 by CMS regional office with concurrence by state on 11/21/2017.

One-Year Supplemental Payment Program for Intermediate Care Facilities For The Developmentally Disabled, Including Habilitative And Nursing Facilities

A. Scope and Authority

This program provides supplemental payments to Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), Intermediate Care Facilities for the Developmentally Disabled-Habilitative (ICF/DD-H), and Intermediate Care Facilities for the Developmentally Disabled-Nursing (ICF/DD-N). The supplemental payments will be provided for dates of service beginning August 1, 2017 through July 31, 2018. State-owned ICF/DD facilities are exempt from the supplement payment.

B. Supplemental Payment Methodology

The supplemental payment program for ICF/DD, ICF/DD-H, and ICF/DD-N facilities will consist of the following:

1. Supplemental payments calculated based on the difference between the current rate methodology as described in Attachment 4.19-D, Section IV, paragraph M, which is frozen at the 2008-09 65th percentile increased by 3.7%, and the unfrozen 2017-18 65th percentile rate. The unfrozen 2017-18 65th percentile rate is the rate that would have been calculated in Attachment 4.19-D, Section IV, without the application of paragraphs K through M.

2. The total fee-for-service supplemental payment amount for each facility will be calculated based on the supplemental payment peer group per diem differential, as described in B 1., multiplied by the facility's total Medi-Cal fee-for-service days claimed for dates of service between August 1, 2017 through July 31, 2018. Facilities in peer groups in which the unfrozen 2017-18 65th percentile rate is lower than the current reimbursement rate will not receive the supplemental payment.

3. The supplemental payments will be paid concurrently with the reimbursement rates the facilities receive under the current reimbursement methodology, as described in State Plan Amendment 4.19-D. Thus, the total reimbursement amount that an eligible facility will receive for services rendered between August 1, 2017 through July 31, 2018, is the sum of the facility's reimbursement rate under the current reimbursement methodology and the supplemental payment.

4. The total Medi-Cal reimbursement shall not exceed any applicable federal upper payment limit. If the supplemental payments for eligible ICF/DD; ICF/DD-H; and ICF/DD-N facilities, as computed above, result in total Medi-Cal payments that exceed the federal upper payment limit for the time period beginning August 1, 2017 through July 31, 2018, each provider's total supplemental payment must be reduced pro-rata so that total payments would be equal to the amount available in the federal upper payment limit.