

## **Table of Contents**

**State/Territory Name: California**

**State Plan Amendment (SPA) #: 17-039**

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 & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

November 22, 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

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 17-039, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 29, 2017. This SPA will amend the Medi-Cal Fee-for-Service (FFS) statewide all-inclusive reimbursement rate for delivery services provided in Alternative Birth Centers (ABCs) so that the payment does not exceed eighty (80) percent of the statewide average Diagnosis Related Group (DRG) - Level 1 rate received by general acute care hospitals.

The effective date of this SPA is July 1, 2017. Enclosed is the following approved SPA page that should be incorporated into your approved state plan:

- Attachment 4.19-B, page 65

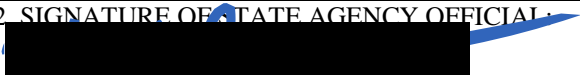
If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at [Cheryl.Young@cms.hhs.gov](mailto:Cheryl.Young@cms.hhs.gov).

Sincerely,

/s/

Henrietta Sam-Louie  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc: Connie Florez, California Department of Health Care Services (DHCS)  
Angel Rodriguez, DHCS  
Adam Neighbours, DHCS  
Nathaniel Emery, DHCS  
Wendy Ly, DHCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>17-021-039</b>	2. STATE California
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 July 1, 2017	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> NEW STATE PLAN</span> <span><input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN</span> <span><input checked="" type="checkbox"/> AMENDMENT</span> </div>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: <del>Affordable Care Act, Section 2301; W&amp;I Code, Section 1405.28; and</del> <del>W&amp;I Code, Section 14148.8</del> <b>42 CFR 447, Subpart F</b>		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$6,250 b. FFY 2018 <del>\$18,750</del> <b>\$25,000</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, page 65		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-B, page 65	
10. SUBJECT OF AMENDMENT:  Reimbursement for Alternative Birth Centers			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT  <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL         </div> <div> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:            The Governor's Office does not            wish to review the State Plan Amendment.         </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 			
13. TYPED NAME: <b>Mari Cantwell</b>			
14. TITLE:  <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>August 29, 2017</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: August 29, 2017		18. DATE APPROVED: <b>November 22, 2017</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Henrietta Sam-Louie		22. TITLE: Associate Regional Administrator, Division of Medicaid & Children's Health Operations	
23. REMARKS: Boxes 1, 6 and 7: Pen and ink changes made per CA response to CMS informal questions made via email dated 10/16/17. Box 15: Pen and ink change made by CMS via CA email dated 11/14/17.			

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California

**REIMBURSEMENT FOR ALTERNATIVE BIRTH CENTERS (FREE-STANDING BIRTH CENTERS) AND LICENSED OR OTHERWISE STATE-RECOGNIZED COVERED PROFESSIONALS PROVIDING SERVICES IN ALTERNATIVE BIRTH CENTERS**

---

Alternative Birth Center services described in paragraph 29.a of Attachment 3.1-A and in paragraph 28.a of Attachment 3.1-B of the California State Plan are reimbursed at the lower of (1) the usual and customary rate, or (2) California Department of Health Care Services' (DHCS') published statewide all-inclusive rate per delivery.

Effective July 1, 2017, the statewide all-inclusive reimbursement rate for delivery services will not exceed 80 percent of the Diagnosis-Related Group (APR-DRG 560-1) for Vaginal Delivery rate received by general acute care hospitals.

Reimbursement rates for licensed or otherwise State-recognized covered professionals providing services in an Alternative Birth Center as described in paragraph 29.b of Attachment 3.1-A and in paragraph 28.b of Attachment 3.1-B are published on the DHCS Website referenced above.

Except as otherwise provided in the State Plan, State developed fee schedule rates are the same for both governmental and private providers of Alternative Birth Center services. The agency's fee schedule was set effective July 1, 2017, for services provided on or after that date. The DHCS rates are published on the DHCS Website at <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

TN: 17-039

Supersedes:

TN: 14-017Approved Date: November 22, 2017Effective Date: July 1, 2017