

Table of Contents

State/Territory Name: California

State Plan Amendment (SPA) #: 18-029

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

August 7, 2018

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 18-029

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 18-029. This amendment, effective August 1, 2018, provides a one-year extension to the 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 18-029 is approved effective August 1, 2018. We are enclosing the HCFA-179 and the amended plan pages.

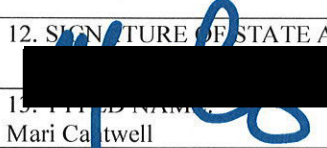

If you have any questions, please call Mark Wong at (415) 744-3561.

Sincerely,

A black rectangular redaction box covering the signature of Kristin Fan. There is a blue ink mark, possibly a checkmark or initials, to the left of the box.

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 18-0029	2. STATE CALIFORNIA
FOR: HEALTH CARE FINANCING ADMINISTRATION		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, 2018	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Title 42 § CFR 447 Subpart C		7. FEDERAL BUDGET IMPACT: A. FFY 2018/19 \$ 9,774,747 FFY 2017/18 \$1,832,594 B. FFY 2019/20 \$ 3,258,249 FFY 2018/19 \$9,162,970	
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 Attachment 4.19-D, Page 35	
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 one-year extension to the 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 2018-19 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):			
<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		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor's Office does not wish to review the State Plan Amendment.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		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	
13. FULL NAME: Mari Cantwell			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: July 2, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: AUG 07 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: AUG 01 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: JANET FREEZE for KRISTIN FAN		22. TITLE: DIRECTOR, FMG	
23. REMARKS: Pen-and-ink changes made to Boxes 7 and 9 by CMS regional office, with state concurrence on 8/6/2018.			

**Time Limited 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, 2019. State-owned ICF/DD facilities are excluded 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 rate methodology applied to the 2017-18 rate year 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 2017-18 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 during each respective year ending July 31, 2018 and July 31, 2019. Facilities in peer groups in which the unfrozen 2017-18 65th percentile rate is lower than the 2017-18 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 during each respective rate year ending July 31, 2018 and July 31, 2019, 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 each respective rate year ending July 31, 2018 and July 31, 2019, 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.