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State/Territory Name: CA

State Plan Amendment (SPA) #: CA-21-0005

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

May 29, 2024

Tyler Sadwith
State Medicaid Director
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

RE: California State Plan Amendment Transmittal Number 21-0005

Dear State Medicaid Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed California state plan amendment (SPA) to Attachment 4.19-D CA-21-0005, which was submitted to CMS on December 30, 2021. This plan amendment extends the time-limited supplemental payment program for freestanding pediatric subacute facilities to July 31, 2022.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Mark Wong at 415-744-3561 or via email at mark.wong@cms.hhs.gov.

Sincerely,



Rory Howe
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 1 — 0 0 0 5

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

Title 42 § CFR 447 Subpart B & C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 21/22 \$ ~~3,000,000~~ \$0
b. FFY 22/23 \$ ~~4,000,000~~ \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D page 37

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-D page 37

9. SUBJECT OF AMENDMENT

Extends the supplemental payments for Freestanding Pediatric Subacute Facilities, effective January 1, 2022.

10. 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:

Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Jacey Cooper

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
December 30, 2021

15. RETURN TO

Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

FOR CMS USE ONLY

16. DATE RECEIVED
December 30, 2021

17. DATE APPROVED
May 29, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, Financial Management Group

22. REMARKS

Pen-and-ink change made to Box 6 by CMS with state concurrence.

Time- Limited Supplemental Payment Program for Freestanding Pediatric Subacute Facilities

This program provides a time-limited supplemental payment for eligible Freestanding Pediatric Subacute (FS/PSAs) facilities for services rendered beginning August 1, 2018 through July 31, 2022. The supplemental payments will be provided in addition to the base per diem rate in effect for FS/PSA facilities, which will remain unchanged through this amendment.

Methodology

1. The supplemental payment amount is a fixed amount of \$132.92 for each Medi-Cal fee-for-service patient day furnished during each rate year ending July 31, 2019; July 31, 2020; July 31, 2021; and in the 2021-22 rate year for each patient on or before July 31, 2022.
2. The supplemental payments will be in addition to and paid concurrently with the FS/PSA per diem rate. The current reimbursement methodology used to develop the FS/PSA per diem rate, as described in page 15.4b of the State Plan Amendment 4.19-D, will remain unchanged. Thus, the total reimbursement amount will be the sum of the facility's per diem rate under the current reimbursement methodology and the supplemental payment amount.
3. The per diem rates for FS/PSA are the rates established by the Department of Health Care Services, as published on the Medi-Cal website:

<http://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/AB1629PediatricSubacute.aspx>

4. The supplemental payment amounts, as set forth in this Attachment, are inclusive of Federal Financial Participation.
5. Providers eligible for the supplemental payments under this section do not include Distinct Part Pediatric Subacute facilities, Freestanding Adult Subacute facilities, or Distinct Part Adult Subacute facilities.
6. Notwithstanding paragraph 2, effective August 1, 2021 through July 31, 2022, when the FS/PSA facilities receive the supplemental payments described above, the supplemental payments will not be paid in addition to the FS/PSA per diem rate. The reimbursement rates for FS/PSA facilities will account for, and be inclusive of, the supplemental payments. No adjustment will be made to increase the computed reimbursement rate by the supplemental payment amount.