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State/Territory Name: CA

State Plan Amendment (SPA) #: 21-0006

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

January 27, 2022

Jacey K. Cooper
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 Transmittal Number 21-0006

Dear Ms. Cooper:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 21-0006. Effective January 1, 2022, this amendment proposes to continue 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)(2), 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 21-0006 is approved effective January 1, 2022. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or 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 6

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 C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2021-22 \$ 7,189,272 0
b. FFY 2022-23 \$ 9,585,696 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D, Pages 35-35a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-D, Pages 35-35a

9. SUBJECT OF AMENDMENT

Extension of the supplemental payment for Intermediate Care Facilities for the Developmentally Disabled, including Habilitative and Nursing facilities, using California Healthcare, Research and Prevention Tobacco Tax Act (Commonly known as Proposition 56), 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 23, 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 23, 2021

17. DATE APPROVED

January 27, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2022

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.

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. State-owned ICF/DD facilities are excluded from the supplemental 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 rate year. 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, 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, 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.

5. Notwithstanding paragraph 3, effective August 1, 2021, for fiscal years when the ICF/DD, ICF/DD-H, and ICF/DD-N facilities receive the supplemental payments described above, the supplemental payments will not be paid in addition to the facility's per diem rate. The reimbursement rates for the 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.