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State/Territory Name: CA

State Plan Amendment (SPA) #: 21-0057

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

November 22, 2021

Jacey Cooper
Chief Deputy Director, Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Ms. Cooper:

Enclosed is an approved copy of California State Plan Amendment (SPA) 21-0057, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 27, 2021. This SPA will update the eligibility requirements for the Health Insurance Premium Payment (HIPP) program by removing the requirement that if a HIPP beneficiary has an option to enroll in a Medi-Cal managed care plan then they are ineligible for HIPP.

The effective date of this SPA is July 1, 2021. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Attachment 4.22-C, pages 1-2

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

James G. Scott, Director
Division of Program Operations

Enclosure

cc: Erika Sperbeck, Department of Health Care Services (DHCS)
Bill Otterbeck, DHCS
Margaret Hoffeditz, DHCS
Lindsey Wilson, DHCS
D'Andria Lewis, DHCS
Saralyn Ang-Olson, DHCS
Angeli Lee, DHCS
Amanda Font, DHCS

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

1. TRANSMITTAL NUMBER

2 1 — 0 0 57

2. STATE

California

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT

TO: REGIONAL ADMINISTRATOR

CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

JULY 1, 2021

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

~~42 U.S.C. SECTION 1396e~~ Sec. 1905(a) and 1906(a) of
the Social Security Act

7. FEDERAL BUDGET IMPACT

a. FFY 21-22 \$ 176 (in thousands)

b. FFY 22-23 \$ 117 (in thousands)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-C, pages 1-4 **2**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.22-C, pages 1-2

10. SUBJECT OF AMENDMENT

MEDI-CAL REIMBURSEMENT OF INDIVIDUAL AND GROUP HEALTH PLAN COVERAGE

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

Jacey Cooper

13. TYPED NAME

Jacey Cooper

14. TITLE

State Medicaid Director

15. DATE SUBMITTED

August 27, 2021

16. RETURN TO

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

August 27, 2021

18. DATE APPROVED

November 22, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2021

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

James G. Scott

22. TITLE

Director, Division of Program Operations

23. REMARKS

For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.

9/16/21: The state updated the page numbers in box 8.

11/17/21: CMS made a pen/ink change to the federal citations in Box 6 per call with state on 11/16/21.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California

Medi-Cal Payments for Individual and Group Health Plan Coverage

The Department of Health Care Services (DHCS or Department) submits this SPA to address updates to our administration of the Health Insurance Premium Payment (HIPP) program. The HIPP program is a voluntary program available to full-scope Medi-Cal members, and authorized under Sections 1906 and 1905(a) of the Social Security Act. Medi-Cal members who qualify to participate in the HIPP program are eligible to receive payment for the cost of the Medi-Cal member's other health coverage premium and cost-sharing obligations. The purpose of the HIPP program is to provide newly enrolled Medi-Cal members with the option to maintain their other health coverage for a limited time as they transition onto Medi-Cal coverage. The HIPP program does not affect a Medi-Cal member's eligibility or access to services under Medi-Cal. HIPP members disenrolled from the HIPP program who remain eligible for Medi-Cal will be eligible to receive medical care through the Medi-Cal delivery system.

The effective date for this SPA is July 1, 2021.

Eligibility for HIPP

Medi-Cal members may participate in the HIPP program if they meet all of the following criteria:

1. The Medi-Cal member has an existing policy.
 - a. An "existing policy" is an other health insurance policy that a Medi-Cal member is covered under when they first become enrolled in Medi-Cal, and is continuously maintained, including policies under which a Medi-Cal member is a dependent.
 - b. "Other health insurance" or "other health coverage" means comprehensive third party health coverage provided by a private employer, Consolidated Omnibus Budget Reconciliation Act COBRA continuation coverage, or an individual health care marketplace.
2. The Medi-Cal member has a medical condition covered under the Medi-Cal member's existing policy and the Medi-Cal member has received treatment for the medical condition within 90 days of application to the HIPP program.

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Supersedes

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3. The Medi-Cal member has full scope Medi-Cal coverage.
4. The Medi-Cal member has applied for Medicare benefits.
5. The Medi-Cal member's other health coverage is cost-effective to Medi-Cal. Cost-effectiveness is determined by comparing the sum of the Medi-Cal member's individual or group other health insurance medical premium, cost-sharing obligations, administrative cost, and the total Medi-Cal utilization costs, to the anticipated cost to Medi-Cal for the treatment of the condition and any associated diagnoses included in a statement completed by the Medi-Cal member's physician.
 - a. "Premium" means:
 - i. If a HIPP member is the only person covered under his or her other health coverage, the monthly amount to insure the policyholder, or
 - ii. If a HIPP member is insured under a policy that covers additional people, the cost reasonably attributed to the HIPP member's portion of the monthly amount, except in cases where a HIPP member cannot enroll in a group health plan without the concurrent enrollment of family members ineligible for Medi-Cal.
 - b. "Cost-sharing obligations" means the sum of the HIPP member's in-network costs for deductible(s), co-payment(s), and co-insurance for medical care billed by other health coverage to the policyholder.
 - c. "Administrative cost" means the cost for the Department to administer the HIPP program on behalf of a HIPP member. This cost is calculated as 125% of the maximum Staff Services Analyst (SSA) Range C pay, divided by the number of current HIPP members. This calculation is made on the first day of every state fiscal year and is applicable until the following fiscal year.
 - d. The "Medi-Cal utilization cost" means the sum of costs billed to Medi-Cal for services not covered by the Medi-Cal member's other health insurance and available through Medi-Cal, and costs for services billed to Medi-Cal that are covered by the Medi-Cal member's individual or group other health insurance, including cost sharing, minus adjustments for post payment recoveries.

Medi-Cal members shall not participate in the HIPP program if any of the following apply:

1. The Medi-Cal member is enrolled in Medicare.
2. The Medi-Cal member is enrolled in a Medi-Cal managed care plan.
3. The Medi-Cal member does not have full-scope Medi-Cal coverage.
4. A court has ordered a non-custodial parent to provide medical insurance to the Medi-Cal member.

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