

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**

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December 1, 2016

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 a copy of California State Plan Amendment (SPA) CA-16-035, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2016. This amendment will extend, for an additional year, augmentation payments to emergency medical air transportation providers for services rendered during State Fiscal Year 2016-17.

The effective date of this SPA is July 1, 2016. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

- Supplement 16 to Attachment 4.19-B, pages 6-7

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

Enclosures

cc: John Mendoza, California Department of Health Care Services (DHCS)  
Shiela Mendiola, DHCS  
Wendy Ly, DHCS  
Nathaniel Emery, DHCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
16-035

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  
July 1, 2016

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 CFR 447, Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY	<del>2017</del> 2016	\$1,625,000
b. FFY	2016 2017	\$4,875,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 16 to Attachment 4.19-B pages 6 and 7

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Supplement 16 to Attachment 4.19 B pages 6 and 7

10. SUBJECT OF AMENDMENT:

Supplemental payments for Emergency Air Medical Transportation Services

11. 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:  
The Governor's Office does not wish to review the State Plan Amendment.

ORIGINAL SIGNED

Mari Cantwell

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

SEP 30 2016

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:  
September 30, 2016

18. DATE APPROVED:  
December 1, 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
July 1, 2016

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:

Box 7: Pen & ink revision to reflect correct FFY periods covered by the SPA: FFY16 (7/1/16 - 9/30/16) and FFY 2017 (10/1/16 - 9/30/17). CA approved correction in response to informal questions dated 11/14/16.

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STATE: CALIFORNIA

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4. Effective July 1, 2014, the payment augmentation amount for each emergency air medical transportation service will be calculated as described in section (b).
- (a) Base rates for emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates website: <http://files.medical.ca.gov/pubsdoco/rates/rateshome.asp>
  - (b) Payment augmentation amounts for emergency air medical transportation services will be calculated by multiplying the augmentation rate by the date of service projected utilization.
    - i. The augmentation rate is the difference between the base rate and the maximum allowable amount per transport based on the provider's usual and customary rates charged to the general public for an emergency air medical transport.
    - ii. For the 2014/15 rate year, the annual amount available for the payment augmentation will be based on a total pool amount of \$36,000,000. This pool amount will be distributed to eligible air medical transportation providers, using the methodology as described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2014 through June 30, 2015.
    - iii. For the 2015/16 rate year, the maximum annual amount available for the payment augmentation will be based on a total pool amount of \$13,000,000. Payments from this pool amount will be distributed to eligible air medical transportation providers, using the methodology described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2015 through June 30, 2016, until the annual pool amount is exhausted.
    - iv. For the 2016/17 rate year, the maximum annual amount available for the payment augmentation will be based on a total pool amount of \$13,000,000. Payments from this pool amount will be distributed to eligible air medical transportation providers, using the methodology described in b(i) and subject to the limitations of b(v), for the dates of service period July 1, 2016 through June 30, 2017, until the annual pool amount is exhausted.

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- v. The total computable augmentation amount shall not exceed the total allowable under b(ii), b(iii), and b(iv).

D. Payment Augmentation and Effective Date

1. The payment augmentation amount will be an add-on to the existing rate for FFS emergency air medical transportation and will be posted on the State Agency's rates web site for each applicable date of service period.
2. The State Agency's initial rates for FFS emergency air transportation services were last updated on September 15, 2015 and are effective for dates of service on or after that date. The rates for FFS emergency air transportation services are posted on the Medi-Cal Rates web site at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>