

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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October 23, 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

Dear Ms. Cantwell:

Enclosed is a copy of California State Plan Amendment (SPA) 18-0030, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 31, 2018. This amendment w

The effective date of this SPA is July 1, 2018. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

- Supplement 16 to Attachment 4.19-B, pages 4, 6 and 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/

Dzung Hoang  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

cc: Connie Florez, California Department of Health Care Services (DHCS)  
Angel Rodriguez, DHCS  
Adam Neighbours, DHCS  
Nathaniel Emery, DHCS  
Angeli Lee, DHCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: <b>18-0030</b>	2. STATE California
	3. PROGRAM IDENTIFICATION: <b>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</b>	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		4. PROPOSED EFFECTIVE DATE <b>July 1, 2018</b>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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: <b>42 CFR 447, Subpart F</b>	7. FEDERAL BUDGET IMPACT: a. FFY 2018 <b>\$1,625,000</b> b. FFY 2019 <b>\$4,875,000</b>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Supplement 16 to Attachment 4.19-B pages 6 and 7 and 4</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>Supplement 16 to Attachment 4.19-B pages 6 and 7 and 4</b>

10. SUBJECT OF AMENDMENT:  
**Supplemental payments for Emergency Air Medical Transportation Services**

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      The Governor's Office does not  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL                      wish to review the State Plan Amendment.

<p>15. DATE SUBMITTED: <b>August 31, 2018</b></p> <p><b>State Medicaid Director</b></p>	<p>16. RETURN TO:</p> <p style="text-align: center;"><b>Department of Health Care Services Attn: State Plan Coordinator 1501 Capitol Avenue, Suite 71.326 P.O. Box 997417 Sacramento, CA 95899-7417</b></p>
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FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: August 31, 2018	18. DATE APPROVED: October 23, 2018
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2018	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Dzung Hoang	22. TITLE: Acting Associate Regional Administrator, Division of Medicaid & Children's Health Division

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: CALIFORNIA

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**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION SERVICES**

A. Emergency Air Medical Transportation Service Payment Augmentation

1. Effective for dates of service on and after July 1, 2012, the Department will implement a payment augmentation to eligible Medi-Cal air transportation providers, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section B.1, that provide Fee-for-Service (FFS) emergency air medical transportation services.
2. The payment augmentation amount will be in addition to the existing fee schedule rate for emergency air medical transportation and mileage services, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section C.1 and will not affect any other payments to air medical providers. The sum of the payment augmentation amount and the existing fee schedule rate must not exceed a provider's usual and customary rates charged to the general public for an emergency air medical transport.

B. Payment Augmentation Methodology

1. The Payment augmentation will apply to Medi-Cal emergency air transportation services paid for dates of service on and after July 1, 2012.
2. The payment augmentation amount for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.
  - (a) Base rates for emergency air medical transportation services are the Department's rate per procedure code as posted on the Medi-Cal Rates web site: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>
  - (b) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each eligible emergency air medical transportation service and the number of total paid claims for the dates of service period.
  - (c) The adjustment factor is the ratio of the annual amount available (as defined by (c)(i)/(c)(ii) below) and the total cost of providing air medical transportation services and will be calculated by dividing the amount available (as defined by (c)(i)/(c)(ii) below) by the current Medi-Cal costs.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
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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 Department's rates per procedure code as posted on the Medi-Cal Rates website: <https://files.medi-cal.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(vii), 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(vii), 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(vii), for the dates of service period July 1, 2016 through June 30, 2017, until the annual pool amount is exhausted.

TN: 18-0030  
Supersedes  
TN: 17-019

Approval Date: October 23, 2018

Effective Date: July 1, 2018

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- v. For the 2017/18 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(vi), for the dates of service period July 1, 2017 through June 30, 2018, until the annual pool amount is exhausted.
- vi. For the 2018/19 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(vii), for the dates of service period July 1, 2018 through June 30, 2019, until the annual pool amount is exhausted.
- vii. The total computable augmentation amount for each rate year shall not exceed the applicable total allowable under b(ii), b(iii), b(iv), and b(v), and b(vi).

C. Payment Augmentation

1. The payment augmentation amount will be an add-on to the base rate for FFS emergency air medical transportation and will be posted on the Notes to Rates page of the Department's Medi-Cal web site for each applicable date of service period:  
[https://files.medi-cal.ca.gov/pubsdoco/Rates/rates\\_notes.asp](https://files.medi-cal.ca.gov/pubsdoco/Rates/rates_notes.asp)