

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

**Appendix 6**

**1. APR-DRG Payment Parameters**

| Parameter   | Value    | Description   |
|---|----------|---|
| Remote Rural APR-DRG Base Price                           | \$16,486 | Statewide Remote Rural APR-DRG Base Price.  |
| Statewide APR-DRG Base Price                              | \$7,132  | Statewide APR-DRG Base Price (non-Remote Rural).  |
| Policy Adjustor – Each category of service                | 1.00     | Policy adjustor for each category of service.   |
| Policy Adjustor – Pediatric Severity of Illness (SOI) 1-3 | 1.25     | Policy Adjustor for all DRGs with SOI 1-3 in the Miscellaneous Pediatric or Respiratory Pediatric care categories.  |
| Policy Adjustor – Neonate SOI 1-3                         | 1.25     | Policy Adjustor for all DRGs with SOI 1-3 in the Neonate care category, except for those receiving the Designated NICU policy adjustor below  |
| Policy Adjustor – Neonate (designated NICU) SOI 1-3       | 1.75     | Enhanced Policy Adjustor for all DRGs with SOI 1-3 in the Neonate care category for all Designated NICU facilities and surgery sites recognized by California Children’s Services (CCS) Program to perform neonatal surgery |
| Policy Adjustor- Obstetrics SOI 1–3                       | 1.00     | Policy adjustor for all DRGs with SOI 1-3 in the Obstetrics care category   |
| Policy Adjustor – Miscellaneous Pediatric SOI 4           | 1.75     | Policy Adjustor for all DRGs with SOI 4 in the Miscellaneous Pediatric care category  |
| Policy Adjustor – Respiratory Pediatric SOI 4             | 1.80     | Policy Adjustor for all DRGs with SOI 4 in the Respiratory Pediatric care category  |
| Policy Adjustor – Neonate SOI 4                           | 1.80     | Policy Adjustor for all DRGs with SOI 4 in the Neonate care category, except for those receiving the Designated NICU policy adjustor below  |
| Policy Adjustor – Neonate (designated NICU) SOI 4         | 2.30     | Enhanced Policy Adjustor for all DRGs with SOI 4 in the Neonate care category for all Designated NICU facilities and surgery sites recognized by California Children’s Services (CCS) Program to perform neonatal surgery   |
| Policy Adjustor – Circulatory Adult SOI 4                 | 1.00     | Policy Adjustor for all DRGs with SOI 4 in the Circulatory Adult care category  |
| Policy Adjustor – Miscellaneous Adult SOI 4               | 1.00     | Policy Adjustor for all DRGs with SOI 4 in the Miscellaneous Adult care category  |
| Policy Adjustor – Gastroenterology Adult SOI 4            | 1.00     | Policy Adjustor for all DRGs with SOI 4 in the Gastroenterology Adult care category   |
| Policy Adjustor – Other SOI 4                             | 1.00     | Policy Adjustor for all DRGs with SOI 4 in the Other care category  |
| Policy Adjustor – Respiratory Adult SOI 4                 | 1.00     | Policy Adjustor for all DRGs with SOI 4 in the Respiratory Adult care category  |

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| Parameter                                  | Value    | Description  |
|--|----------|--|
| Policy Adjustor –Obstetrics SOI 4          | 1.10     | Policy Adjustor for all DRGs with SOI 4 in the Obstetrics care category  |
| California Wage Area Neutrality Adjustment | 0.9579   | Adjustment factor used by California or Border hospital  |
| Wage Index Labor Percentage                | 67.6%    | Percentage of DRG Base Price or Rehabilitation per diem rate adjusted by the wage index value.                         |
| High Cost Outlier Threshold                | \$73,000 | Used to determine Cost Outlier payments.   |
| Low Cost Outlier Threshold                 | \$73,000 | Used to determine Cost Outlier payments.   |
| Marginal Cost Factor                       | 53.0%    | Used to determine Cost Outlier payments.   |
| Discharge Status Value 02                  | 02       | Transfer to a short-term general hospital for inpatient care   |
| Discharge Status Value 05                  | 05       | Transfer to a designated cancer center   |
| Discharge Status Value 63                  | 63       | Transfer to a long-term care hospital  |
| Discharge Status Value 65                  | 65       | Transfer to a psychiatric hospital   |
| Discharge Status Value 66                  | 66       | Transfer to a critical access hospital (CAH)   |
| Discharge Status Value 82                  | 82       | Transfer to a short-term general hospital for inpatient care with a planned acute care hospital inpatient readmission  |
| Discharge Status Value 85                  | 85       | Transfer to a designated cancer center or children’s hospital with a planned acute care hospital inpatient readmission |
| Discharge Status Value 91                  | 91       | Transfer to a Medicare certified Long Term Care Hospital with a planned acute care hospital inpatient readmission      |
| Discharge Status Value 93                  | 93       | Transfer to a psychiatric distinct part unit of a hospital with a planned acute care hospital inpatient readmission    |
| Discharge Status Value 94                  | 94       | Transfer to a Critical Access Hospital with a planned acute care hospital inpatient readmission                        |
| Interim Payment                            | \$600    | Per diem amount for Interim Claims   |
| APR-DRG Grouper Version                    | V.39.1   | 3M Software version used to group claims to a DRG  |
| HAC Utility Version                        | V.39.1   | 3M Software version of the Healthcare Acquired Conditions Utility  |
| Pediatric Rehabilitation Rate              | \$1,841  | Daily rate for rehabilitation services provided to a beneficiary under 21 years of age on admission.                   |
| Adult Rehabilitation Rate                  | \$1,032  | Daily rate for rehabilitation services provided to a beneficiary 21 years of age or older on admission.                |

**2. Separately Payable Services, Devices, and Supplies**

| Code  | Description  |
|---|--|
|   | Bone Marrow  |
| 38204   | Management of recipient hematopoietic progenitor cell donor search and acquisition |
| 38204   | Unrelated bone marrow donor  |
|   | Blood Factors  |
| J7175   | Blood Factor X   |
| J7179/J7187   | Blood factor Von Willebrand  |
| J7180/J7181   | Blood factor XIII  |
| J7182   | Blood factor VIII/Novoeight  |
| J7183   | Blood factor Von Willebrand –injection   |
| J7185/J7190/J7192/<br>J7204/J7205/J7207/J7208/J7209/J7210/J7211 | Blood factor VIII/<br>Esperoct/Eloctate/Adynovate/Jivi/Nuw iq/ Afstyla             |
| J7186   | Blood factor VIII/ Von Willebrand  |
| J7188   | Blood Factor VIII/Obizur   |
| J7189/J7212   | Blood factor VIIa/Sevenfact  |
| J7193/J7194/J7195/<br>J7200/J7201/<br>J7202/J7203               | Blood factor IX/ Rixubis/Alprolix/Idelvion/Rebinyn                                 |
| J7197   | Blood factor Anti-thrombin III   |
| J7198   | Blood factor Anti-inhibitor  |
|   | Long Acting Reversible Contraception Methods                                       |
| J7300   | Intrauterine Copper (Paraguard)  |
| J7301   | Skyla  |
| J7302   | Levonorgestral-releasing intrauterine contraceptive system (Mirena)                |
| J7307   | Etonogestrel (Implanon, Nexplanon)   |
|   | CAR T-Cell Therapies   |
| Q2040   | Tisagenlecleucel (Kymriah™)  |
| Q2041   | Axicabtagene ciloleucel (Yescarta™)  |
| Q2042   | Tisagenlecleucel (Kymriah™)  |
|   | Other  |
| J3399   | Onasemnogen abeparvovec-xioi (Zolgensma®)  |

**List of Hospitals Eligible to receive the “DRG- NICU- Surgery Policy Adjustor”**

A. Hospitals approved to receive Policy Adjustor – NICU Surgery, status as of December 23, 2021:

- 1) California Pacific Medical Center - Pacific
- 2) Cedars Sinai Medical Center
- 3) Children’s Hospital & Research Center of Oakland (UCSF Benioff Oakland)
- 4) Children’s Hospital of Los Angeles
- 5) Children’s Hospital of Orange County
- 6) Citrus Valley Medical Central – Queen of the Valley
- 7) Community Regional Medical Center Fresno
- 8) Good Samaritan - San Jose
- 9) Huntington Memorial Hospital
- 10) Kaiser Anaheim
- 11) Kaiser Downey
- 12) Kaiser Fontana
- 13) Kaiser Foundation Hospital - Los Angeles
- 14) Kaiser Permanente Medical Center - Oakland
- 15) Kaiser Foundation Hospital – Roseville
- 16) Kaiser Permanente – Santa Clara
- 17) Kaiser Foundation Hospital San Diego
- 18) Loma Linda University Medical Center
- 19) Lucille Salter Packard Children’s Hospital – Stanford
- 20) Miller Children’s at Long Beach Memorial Medical Center
- 21) Pomona Valley Hospital Medical Center
- 22) Providence Tarzana Regional Medical Center
- 23) Rady Children’s Hospital - San Diego
- 24) Santa Barbara Cottage Hospital
- 25) Sutter Memorial Hospital
- 26) Valley Children’s Hospital

- B. For purposes of receiving the Policy Adjustor – NICU Surgery, the hospital listed in Paragraph 3.A must:
- 1) Be performing services assigned to the neonate care category;
  - 2) Have been approved by California Children’s Services (CCS) and continue to meet the standards of either a Regional NICU as defined in the CCS Manual of Procedures Chapter 3.25.1 or a Community NICU with a neonatal surgery as defined in Chapter 3.25.2;
  - 3) Have been approved by CCS and continue to meet the neonatal surgery standards set forth in CCS Manual of Procedures Chapter 3.34;
  - 4) Pass periodic CCS review. Hospital review may be conducted annually or as deemed necessary by CCS. These reviews will determine whether the hospital continues to meet all applicable neonatal surgery standards.
- C. A hospital not yet listed in Paragraph 3.A may receive the Policy Adjustor – NICU Surgery if the hospital complies with Paragraph 3.B and the process set forth in this Paragraph.
- 1) Submit a Policy Adjustor – NICU Surgery Request (Request) and supporting documentation for DHCS review, which shall include the following:
    - i. A copy of the hospital license issued by the Licensing & Certification of the California Department of Public Health showing that the hospital has been licensed as:
      1. An acute general hospital under section 70003, 70005; and
      2. An intensive care newborn nursery (ICNN)
    - ii. A copy of the CCS approval documentation in the format promulgated by CCS granting NICU Surgery approval
  - 2) Once the DHCS has received the completed Request, the Request will be reviewed within 30 calendar days of the date the Request was received, if possible.
  - 3) DHCS shall promptly notify the hospital if the review and determination of the Request will take longer than 30 calendar days, if needed or if the Request will not be approved.

- 4) Upon DHCS' approval of the Request, the hospital will qualify to receive the Policy Adjustor-NICU Surgery beginning next fiscal quarter. Approved eligible hospitals do not need to be listed in Paragraph 3.A to start receiving the Policy Adjustor-NICU Surgery. DHCS will continue to add the eligible hospitals to the Paragraph 3.A list to keep the list accurate.
  - 5) DHCS will promptly notify the hospital once it has approved or rejected the Request.
  - 6) Hospitals already on the Paragraph 3.A list that maintain their Paragraph 3.B obligations will not need to go through the Request process in Paragraph 3.C.
- D. If the CCS NICU-surgery approval/status of a hospital is revoked or otherwise terminated, then that hospital will not receive the Policy Adjustor – NICU Surgery, effective the date approval/status ceases. Removal from the Paragraph 3.A list for failure to meet CCS NICU-surgery standards is not a prerequisite to no longer qualify to receive the Policy Adjustor – NICU Surgery. Once the CCS NICU-surgery approval/status of a hospital on the Paragraph 3.A list is revoked or otherwise terminated, the hospital will subsequently be removed from the list. Being listed in the State Plan does not guarantee payment of the Policy Adjustor – NICU Surgery. In the event that a hospital remains listed, but has otherwise been deemed to have lost its neonatal surgery approval/status, it will not receive the Policy Adjustor – NICU Surgery. If a hospital went through the Section C process but loses the CCS NICU-surgery approval/status, then the hospital will not receive the Policy Adjustor – NICU Surgery effective the date of revocation or termination.