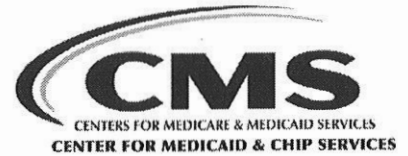


DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

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

September 18, 2018

RE: California State Plan Amendment 18-0042

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 18-0042. This amendment, effective August 1, 2018, provides a one-year supplemental payment for freestanding pediatric subacute facilities.

We conducted our review of your submittal according to the statutory requirements at sections 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 TN 18-0042 is approved effective August 1, 2018. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561.

ORIGINAL SIGNED

Enclosures

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

1. TRANSMITTAL NUMBER:
18-0042

2. STATE
CA

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
August 1, 2018

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:
Title 42 § CFR 447 Subpart B & C

7. FEDERAL BUDGET IMPACT:

a. FFY 2018 \$666,667
b. FFY 2019 \$3,333,333

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 4 to Attachment 4.19-D page 37 36

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Supplement 4 to Attachment 4.19-D page 37

10. SUBJECT OF AMENDMENT:
Establishes a time-limited supplemental payment for Freestanding Pediatric Subacute Facilities in State Fiscal Year 18-19.

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.

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

ORIGINAL SIGNED

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
August 9, 2018

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
SEP 18 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
AUG 01 2018

20. SIGNATURE OF REGIONAL OFFICIAL:
Kristin Fan

21. TYPED NAME:
Kristin Fan

22. TITLE:
Director, FMC

23. REMARKS:

Pen-and-ink changes made to Boxes 8 and 9 by CMS regional office with state concurrence.

Time-Limited Supplemental Payment Program for Freestanding Pediatric Subacute Facilities

This program provides a time-limited supplemental payment for eligible Freestanding Pediatric Subacute (FS/PSA) facilities for services rendered beginning August 1, 2018 through July 31, 2019. The supplemental payments will be provided in addition to the base per diem rate in effect for FS/PSA facilities, which will remain unchanged through this amendment.

Methodology

1. The supplemental payment amount is a fixed amount of \$132.92 for each Medi-Cal fee-for-service patient day furnished during the service period of August 1, 2018 to July 31, 2019.
2. The supplemental payments will be in addition to and paid concurrently with the FS/PSA per diem rate. The current reimbursement methodology used to develop the FS/PSA per diem rate, as described in page 15.4b of the State Plan Amendment 4.19-D, will remain unchanged. Thus, the total reimbursement amount will be the sum of the facility's per diem rate under the current reimbursement methodology and the supplemental payment amount.
3. The per diem rates for FS/PSA are the rates established by the Department of Health Care Services, as published on the Medi-Cal website:

<http://www.dhcs.ca.gov/services/medi-cal/Pages/AB1629/AB1629PediatricSubacute.aspx>

4. The supplemental payment amounts, as set forth in this Attachment, are inclusive of Federal Financial Participation.
5. Providers eligible for the supplemental payments under this section do not include Distinct Part Pediatric Subacute facilities, Freestanding Adult Subacute facilities, or Distinct Part Adult Subacute facilities.