

**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

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February 11, 2022

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) 21-0068, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 20, 2021. This SPA will update the Preadmission Screening and Resident Review (PASRR) program policies defined in the existing State Plan to better align with current language, definitions, and procedures. This SPA also will require the compulsory use of the PASRR online system, developed in 2015, to manage mental health screening caseloads.

The effective date of this SPA is January 1, 2022. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Attachment 4.39, pages 1-2
- Attachment 4.39-A, pages 1-3
- Section 4.39, pages 79s-79t

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,



Digitally signed by  
James G. Scott -S  
Date: 2022.02.11  
14:03:47 -06'00'

James G. Scott, Director  
Division of Program Operations

Enclosure

cc: Erika Sperbeck, Department of Health Care Services (DHCS)  
Saralyn Ang-Olson, DHCS  
Bill Otterbeck, DHCS  
Margaret Hoffeditz, DHCS  
Timothy Van Natta, 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 6 8

2. STATE  
CA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT  
 XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**January 1, 2022**

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR Section 431.621(b), Section 1902 (a)(28)(D)(i) and 1919 (e)(7) of the Act;  
P.L. 100-203 [Section 4211 (c)]; P.L. 101-508 (Section 4801 (b))

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2022 \$ 0  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.39, pages 1-2  
Attachment 4.39-A, page 1-3  
Section 4.39, page 79s -79t

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.39, pages 1-2  
Attachment 4.39-A, pages 1-3  
SPA 4.39, pages 79s-79t

9. SUBJECT OF AMENDMENT

This amendment updates the PASRR program policies defined in the State Plan, in order to better align with current language, definitions, and procedures. This amendment also seeks to include the compulsory use of the PASRR online system introduced after the previous PASRR SPA.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME  
Jacey Cooper

13. TITLE  
State Medicaid Director

14. DATE SUBMITTED  
December 20, 2021

15. RETURN TO  
Department of Health Care Services  
Attn: Director's Office  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

**FOR CMS USE ONLY**

16. DATE RECEIVED  
December 20, 2021

17. DATE APPROVED  
February 11, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
James G. Scott

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Program Operations

22. REMARKS

For Box 10 "Other, As Specified," please note: The Governor's Office does not wish to review the State Plan Amendment.  
For Box 7: CMS pen/ink change made per email with CA dated 2/8/22.

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Citation

Section 1902 (a)(28)(D)(i)  
And 1919 (e)(7) of the Act;  
P.L. 100-203 (Section 4211 (c)); P.L. 101-508 (Section 4801 (b)).

4.39 Preadmission Screening and Resident Review

- (a) The Department of Health Care Services (The Department), as both the Medicaid Agency and state mental health authority, must have in effect a written agreement with the intellectual disability authority that meets the requirements of 42 CFR § 431.621(c).
- (b) The State operates a preadmission screening and resident review (PASRR) program that meets the requirements of 42 CFR §§ 483.100-138.
- (c) Federal Financial Participation (FFP) for medical assistance as defined in 42 USC § 1396b is available for services furnished after the PASRR process has been completed and for individuals who meet the requirements defined in 42 CFR § 483.118(c)(1).
- (d) FFP is not available for the cost of nursing facility (NF) services to individuals who are found not to require NF level of care.
- (e) If an individual with severe mental illness (SMI) or intellectual disability, developmental disability, and/or related conditions (ID/DD/RC) is determined to require a NF level of services, the state mental authority or intellectual disability authority (as appropriate) must also determine, in accordance with 42 CFR § 483.130, whether the individual requires specialized add-on services as specified in ATTACHMENT 4.39.
- (f) The state mental health authority makes categorical determinations as specified in ATTACHMENT 4.39-A that take into account that certain diagnoses, levels of severity of illness, or need for a particular service clearly indicate that admission to or residence in a NF is normally needed, or that the provision of specialized add-on services is not normally needed.

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- (g) The state mental health authority and intellectual disability authority make individualized determinations based on more extensive individualized evaluations as required in 42 CFR §§ 483.132, 483.134, and 483.136.
- (h) PASRR screenings must be completed using an electronic online system operated and maintained by the Department.

## STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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## DEFINITION OF SPECIALIZED ADD-ON SERVICES

- I. Specialized add-on services do not include mental health or intellectual disability services that are of lesser intensity than specialized services and/or services furnished to nursing facility (NF) residents as NF services and/or within the scope of services that the NF is required to provide or arrange, pursuant to 42 USC § 1396r, subdivisions (b)(2), (b)(4) and (e)(7)(G)(iii); and 42 CFR §§ 483.120, 483.124, 483.126 and 483.130.
- II. For Individuals with Serious Mental Illness (SMI), defined in 42 CFR § 483.102 (b)(1), specialized add-on services, as defined in 42 CFR § 483.120 (a)(1), means the services specified by the State which, combined with services provided by the NF, results in the continuous and aggressive implementation of an individualized plan of care that is:
  - A. Developed by an interdisciplinary team, that would include, at minimum, a physician and a mental health professional (for people with MI) or intellectual disability or developmental disability professional (for people with ID or related conditions);
  - B. Designed to address needs related to MI or ID;
  - C. Of greater intensity, frequency or customization than the NF services for MI or ID required in part 483, subpart B;
  - D. Designed in a person-centered manner that promotes self-determination and independence,
  - E. Designed to prevent or delay loss of, or support increase in, functional abilities; and
  - F. If the individual is admitted to or remains in an institutional setting, designed to support any goals the individual may have of transition to the most integrated setting appropriate.
- III. For individuals with intellectual disability, developmental disability, and/or related conditions (ID/DD/RC) defined in 42 CFR § 483.102 (b)(3), specialized add-on services, as defined in 42 CFR § 483.120 (a)(2), means the services specified by the State, which, combined with services provided by the NF or other service providers, results in treatment which meets the requirements of 42 CFR § 483.440 (a)(1), i.e., a continuous and active treatment program, which includes aggressive, consistent implementation of a program of specialized and generic

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training, treatment, and health-related services that are:

- A. Developed by an interdisciplinary team, that would include, at minimum, a physician and a mental health professional (for people with MI) or intellectual disability or developmental disability professional (for people with ID or related conditions);
- B. Designed to address needs related to MI or ID;
- C. Of greater intensity, frequency or customization than the NF services for MI or ID required in part 483, subpart B;
- D. Designed in a person-centered manner that promotes self-determination and independence,
- E. Designed to prevent or delay loss of, or support increase in, functional abilities; and
- F. If the individual is admitted to or remains in an institutional setting, designed to support any goals the individual may have of transition to the most integrated setting appropriate.

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## CATEGORICAL DETERMINATIONS

- I. The State mental health or intellectual disability authority may make categorical determinations as to whether nursing facility (NF) level of services are needed under the categories below, pursuant to 42 CFR § 483.130 (b)(1), (c), (d), and (e).
- A. BRIEF STAY
1. Provisional admissions pending further assessment in emergency situations requiring protective services, with placement in a nursing facility not to exceed 6 days.
  2. Brief stays in accordance with Welfare and Institutions Code § 5150, not exceeding 72 hours.
  3. Brief stays in accordance with Welfare and Institutions Code § 5250, not exceeding 14 days.
  4. Finite stays of less than 15 days to provide respite to in-home caregivers to whom the individual with severe mental illness or Intellectual Disability, Developmental Disability and/or Related Conditions is expected to return following the brief NF stay.
  5. The individual is admitted directly from a hospital (after receiving acute in-patient care) to a NF for convalescent care from an acute physical illness, under the following conditions:
    - i. The acute physical illness required hospitalization;
    - ii. Prior to admission to the facility, the attending physician has certified that the individual is likely to require fewer than 30 days of NF services.
- B. SEVERE PHYSICAL ILLNESS:  
There is a severe physical condition such as coma, ventilator dependence, or neurocognitive disorder (dementia) that prevents the individual from engaging with others, communicating effectively, and/or participating in mental health care; or the individual has a terminal illness that is currently being treated under palliative, comfort, or hospice care.
- C. DELIRIUM:  
Provisional admission pending further assessment in cases of delirium where an accurate diagnosis cannot be made until the delirium clears, with placement in a NF not to exceed 7 days. The individual must have a primary diagnosis of
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TN No. 21-0068

Supersedes

TN No. 02-015

Approval Date: February 11, 2022Effective Date: January 1, 2022

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delirium, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders.

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RESERVED FOR FUTURE USE

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