

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



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**Financial Management Group**

**JUL 13 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

RE: California State Plan Amendment 16-014

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 16-014. This amendment changes language pertaining to the payment processing timeline for supplemental payments made to qualified private hospitals, effective May 14, 2016.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a), and 1923 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 16-014 is approved effective May 14, 2016. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

**ORIGINAL SIGNED**

Kristin Fan  
Director

Enclosures

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

1. TRANSMITTAL NUMBER:  
**16-014**

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  
May 14, 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 C

7. FEDERAL BUDGET IMPACT:  
a. FFY 2016      \$0      \$10,824,132  
b. FFY 2017      \$0      \$11,884,462

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Supplement 4 to Attachment 4.19A, pages 9—10 Page 9, Page 11

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Supplement 4 to Attachment 4.19A, pages 9—10 Page 9, Page 11

10. SUBJECT OF AMENDMENT:  
SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS

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.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

13. TYPED NAME:

**Mari Cantwell**

14. TITLE:

**State Medicaid Director**

15. DATE SUBMITTED:

**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:

18. DATE APPROVED: **JUL 13 2016**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**MAY 14 2016**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: **Kristin Fan**

22. TITLE: **Director, FMC**

23. REMARKS:

Pen-and-ink changes made by Regional Office to Boxes 7, 8, and 9 with state concurrence.

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

**SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS**

offset the amount to be recovered against any Medi-Cal payments which otherwise would be payable by the Department to the hospital, pursuant to Welfare and Institutions Code section 14155.5

- g. If the fund balance after Round A and B payments is lower than the amount needed to pay in Round C under paragraph C.1.b., then a pro rata amount will be applied to the Round C amounts payable to all eligible hospitals. The total computable received in Round A and B will be subtracted from \$237,144,384 for SFY 2015-16 and \$236,800,000 for SFYs 2016-17 and 2017-18 to determine the remaining balance to be distributed in Round C of the respective SFY. The remaining balance will be divided by the total computable for Round C as determined in C.1.f. That percentage will be applied to each hospital's Round C amount as determined in C.1.f. to determine the Round C pro rata amounts.

**D. Additional Supplemental Payments**

Based on historical payments, the following private hospitals shall receive additional supplemental funding for SFYs 2015-16, 2016-17 and 2017-18.

No payment under this supplement is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

1. In addition to receiving PHSF payments under Section C, the following private hospitals shall receive additional supplemental payments in the fourth quarter, or soon thereafter as practicable, of each SFY for the listed periods in the listed amounts:

SFY 2015-16

St. Rose Hospital	\$16,000,000
Children's Hospital and Research Center at Oakland	\$3,000,000
Grossmont Hospital	\$2,000,000

SFY 2016-17

St. Rose Hospital	\$16,000,000
Children's Hospital and Research Center at Oakland	\$3,000,000

TN No. 16-014  
Supersedes:  
TN No. 15-003

Approval Date JUL 13 2016

Effective Date: May 14, 2016

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

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**SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED PRIVATE HOSPITALS**

The supplemental payments to hospitals pursuant to this Section D.2, to ensure the availability of essential services for Medi-Cal beneficiaries, are in addition to all other amounts payable for inpatient hospital services under Attachment 4.19-A. Supplemental payments to each hospital for each SFY shall be determined by multiplying the number of uninsured inpatient days provided by the hospital in the SFY immediately prior to the relevant payment SFY times \$2,100, except that, in the case of St. Francis Medical Center, the number of prior year uninsured inpatient days will be multiplied by \$2,400. The number of uninsured inpatient days in the prior SFY for purposes of this determination shall be as reported by participating hospitals to, and verified by, the County of Los Angeles as of the February 1 prior to the close of the relevant payment SFY.

The supplemental payments to hospitals under this Section D.2 shall not exceed \$4,000,000 in the aggregate for each SFY. Payments to hospitals shall be reduced on a pro rata basis as necessary to ensure the annual aggregate annual limit is not exceeded. Supplemental payments made under this Section D.2 shall be made in the fourth quarter of the current payment year or soon thereafter as practicable.

**E. DEPARTMENT'S RESPONSIBILITIES**

1. Medi-Cal reimbursement provided to private hospitals will not exceed applicable federal upper payment limits, including title 42 Code of Federal Regulations sections 447.271 and 447.272.
2. The payments in this Supplement 4 for each SFY will be made no later than the end of the next SFY.

TN No. 16-014  
Supersedes:  
TN No. 15-003

Approval Date: Jul 13 2016 Effective Date: May 14, 2016