

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



Financial Management Group

September 26, 2019

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: State Plan Amendment (SPA) 19-0042

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number 19-0042. This amendment proposes to continue the supplemental payment for freestanding pediatric subacute facilities, for the service period from August 1, 2019 to December 31, 2021.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 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. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of August 1, 2019. We are enclosing the CMS-179 and the amended approved plan pages.

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

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

cc:
Richard Kimball
Mark Wong

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>1 9 — 0 0 42</u>	2. STATE California
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE August 1, 2019	

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 18/19 \$ 713,128 666,667 b. FFY 19/20 \$ 4,278,766 4,000,000
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-D page 37	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-D page 37

10. SUBJECT OF AMENDMENT

Extension of the time-limited supplemental payment for Freestanding Pediatric Subacute Facilities under the Medi-Cal program using California Healthcare, Research and Prevention Tobacco Tax Act (Commonly known as Proposition 56). The supplemental payment allocation would be for services rendered for the period of August 1, 2019 through December 31, 2021.

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Department of Health Care Services Attn: Director's Office P.O. Box 997413, MS 0000 Sacramento, CA 95899-7413
13. TYPED NAME Mari Cantwell	
14. TITLE State Medicaid Director	
15. DATE SUBMITTED August 22, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED SEP 26 2019
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL AUG 01 2019	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME Kristin Fan	22. TITLE Director, FMG

23. REMARKS

On 9/25/19, the State made pen-and-ink changes to update the federal budget impact amounts.
For Box 7 "Federal Budget Impact", please note the additional information:
c. FFY 20/21 = \$~~4,278,766~~ \$4,000,000
d. FFY 21/22 = \$~~1,069,692~~ \$1,000,000
For Box 11 "Other, As Specified," please note: The Governor's Office does not wish to review the State Plan Amendment.

Time- Limited Supplemental Payment Program for Freestanding Pediatric Subacute Facilities

This program provides a time-limited supplemental payment for eligible Freestanding Pediatric Subacute (FS/PSAs) facilities for services rendered beginning August 1, 2018 through December 31, 2021. 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 each respective rate year ending July 31, 2019; July 31, 2020; July 31, 2021; and in the 2021-22 rate year for each patient on or before December 31, 2021.
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.

TN – 19-0042
Supersedes
18-0042

Approval Date: SEP 26 2019 Effective Date: 8/1/2019