

**DEPARTMENT OF HEALTH CARE SERVICES  
NOTICE OF GENERAL PUBLIC INTEREST  
RELEASE DATE: DECEMBER 6, 2021**

**PROPOSED STATE PLAN AMENDMENT TO EXTEND THE SUPPLEMENTAL  
PAYMENT FOR INTERMEDIATE CARE FACILITIES FOR THE  
DEVELOPMENTALLY DISABLED INCLUDING HABILITATIVE AND NURSING  
FACILITIES USING PROPOSITION 56 TOBACCO TAX FUNDS**

This notice serves to provide information of public interest regarding proposed State Plan Amendment (SPA) 21-0006 that the Department of Health Care Services (DHCS) plans to submit to the federal Centers for Medicare and Medicaid Services (CMS). The proposed SPA will seek to extend the supplemental payment program for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative (ICF/DD-H), and ICF/DD-Nursing (ICF/DD-N) facilities past the current sunset date of December 31, 2021, effective beginning January 1, 2022.

On November 8, 2016, California voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56) to increase the excise tax rate on cigarettes and tobacco products. The Legislature appropriates a specified portion of Proposition 56 revenues to DHCS for use as the nonfederal share of health care expenditures in accordance with the annual state budget process, including funds allocated for supplemental payments for ICF/DD, ICF/DD-H, and ICF/DD-N facilities.

The supplemental per diem amounts effective January 1, 2021 will remain unchanged and are listed in the following table:

<b>Facility Peer Group</b>	<b>Accommodation Code - Regular Services</b>	<b>Accommodation Code – Bed Hold Services</b>	<b>Supplemental Payment Per Diem</b>
ICF/DD 1-59 Beds	41	43	\$15.47
ICF/DD 60+ Beds	41	43	\$0.00
ICF/DD-H 4-6 Beds	61	63	\$10.75
ICF/DD-H 7-15 Beds	65	68	\$0.00
ICF/DD-N 4-6 Beds	62	64	\$12.47
ICF/DD-N 7-15 Beds	66	69	\$22.30

Assembly Bill 133 (Chapter 143, Statutes of 2021) enacted as part of the state budget process for the 2021-22 state fiscal year, provides that the reimbursement rates for ICF/DD, ICF/DD-H, and ICF/DD-N facilities shall account for, and be inclusive of, the Proposition 56 supplemental payment, effective August 1, 2021. Thus, for each fiscal year that Proposition 56 funds are appropriated to DHCS to make supplemental payments to these facilities, the supplemental payment amounts will be paid as part of

the per diem rates instead of in addition to the per diem rates, subject to federal approval of the ICF/DD reimbursement SPA 21-0060.

DHCS estimates that the extension of the supplemental payments will result in an increase of approximately \$19 million in annual expenditures for ICF/DD, ICF/DD-H and ICF/DD-N facilities.

The proposed SPA is subject to approval by CMS.

### **PUBLIC REVIEW AND COMMENTS**

Upon submission to CMS, a copy of the proposed SPA 21-0006 will be published at the following internet address:

[Pending State Plan Amendments 2021](#)

If you would like to view proposed SPA 21-0006 in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA 21-0006 using the mailing or email addresses listed below.

Written comments may be sent to the following address:

Department of Health Care Services  
Fee-For-Service Rates Development Division  
Attn: Long Term Care Section  
1501 Capitol Avenue, MS 4600  
Sacramento, California 95899-7417

Comments may also be emailed to [PublicInput@dhcs.ca.gov](mailto:PublicInput@dhcs.ca.gov). Please indicate SPA 21-0006 in the subject line or message.

A copy of submitted public comments to SPA 21-0006 may be requested in writing to the mailing or email addresses identified above.