

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: DECEMBER 21, 2021**

**PROPOSED STATE PLAN AMENDMENT TO RENEW THE REIMBURSEMENT
METHODOLOGY FOR SKILLED NURSING FACILITY LEVEL-B & FREESTANDING
SUBACUTE FACILITIES**

This notice serves to provide information of public interest regarding reimbursement for Skilled Nursing Facility Level-B (NF-B) and Freestanding Subacute (FSSA) facilities.

The Department of Health Care Services (DHCS) plans to submit State Plan Amendment (SPA) 22-0012 to the federal Centers for Medicare and Medicaid Services (CMS) to renew the existing facility-specific reimbursement methodology for NF-B and FSSA facilities, effective January 1, 2022 through December 31, 2022. SPA 22-0012 will establish calendar year 2022, from January 1, 2022 through December 31, 2022, as a rate period, and will provide a 2.4 percent increase in the statewide weighted average Medi-Cal reimbursement rate for NF-B and FSSA facilities, plus the projected cost of complying with new state or federal mandates. The 2.4 percent increase may be conditioned upon a facility's good faith efforts to comply with any requirements related to the COVID-19 Public Health Emergency described in All Facility Letters issued by the California Department of Public Health.

Additionally, DHCS is seeking authority to audit facility costs and revenues associated with COVID-19, and DHCS will recover amounts of the increased COVID-19 Medicaid payments that were not used to support the delivery of patient care. Facilities that do not demonstrate satisfactory compliance with applicable minimum wage laws, or wage passthrough requirements, may be assessed a monthly penalty of up to \$50,000, subject to conditions stated in California Welfare and Institutions Code section 14126.033(g)(2)-(3).

The proposed SPA is subject to approval by CMS.

DHCS estimates an increase in annual aggregate Medi-Cal expenditures for NF-B and FSSA facilities with an estimated aggregate expenditure of \$192.8 million in total funds for the rate period of January 1, 2022 through December 31, 2022.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of SPA 22-0012 will be published at the following internet address:

<https://www.dhcs.ca.gov/formsandpubs/laws/Pages/PendingStatePlanAmendments.aspx>

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of SPA 22-0012 using the mailing address or e-mail address below.

Written comments may be sent to the following address:

Department of Health Care Services
Fee-For-Service Rates Development Division
P.O. Box 997413, MS 4600 Sacramento, California 95899-7417

Comments may also be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA 22-0012 in the subject line or message.

A copy of submitted public comments related to SPA 22-0012 may be requested in writing to the mailing address or e-mail inbox identified above.