

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST AND
REQUEST FOR STAKEHOLDER INPUT
RELEASE DATE: MAY 5, 2022**

**PROPOSED STATE PLAN AMENDMENT FOR ENHANCED PAYMENTS TO PRIVATE TRAUMA
HOSPITALS**

This notice provides information of public interest regarding a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). Proposed SPA #22-0026 will update California State Plan, Attachment 4.19-B, page 51b, to remove language referencing county funding sources, and remove language stating the total supplemental payments will be the lesser of the amount of the total county funds (plus federal reimbursement), or the amount of allowable uncompensated costs in the aggregate of all the eligible Trauma hospitals within the participating county.

SPA #22-0026 does not propose changes to the payment methodologies set forth in California State Plan, Attachment 4.19-B, and will not result in changes to the annual expenditures.

The effective date of the proposed SPA is July 1, 2022. Proposed SPA #22-0026 is subject to federal approval by the Centers for Medicare and Medicaid Services (CMS).

PUBLIC REVIEW AND COMMENTS

The proposed changes included in draft SPA #22-0026 are enclosed in this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

Upon submission to CMS, a copy of the proposed SPA #22-0026 will be published at the following internet address: <https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending-2022.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 the proposed SPA #22-0026 or a copy of the submitted public comments related to SPA #22-0026 by requesting it in writing to the mailing or email address listed below. Please indicate SPA#22-0026 in the subject line or message.

Written comments may be sent to the following address:

Department of Health Care Services
Safety Net Financing Division
Attn: Christie Hansen
1500 Capitol Avenue, MS 4504
Sacramento, California 95899-7417

Comments may also be e-mailed to PublicInput@dhcs.ca.gov. Please indicate SPA #22-0026 in the subject line or message.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

ENHANCED PAYMENTS TO PRIVATE TRAUMA HOSPITALS

This segment of the State Plan describes an enhanced Medi-Cal payment for outpatient hospital trauma and emergency services to private hospitals within Los Angeles County and Alameda County that have demonstrated a need for assistance in ensuring the availability of essential trauma services for Medi-Cal beneficiaries, and that meet the requirements in Section A, below.

A. DEFINITION OF AN ELIGIBLE TRAUMA HOSPITAL

A Trauma Hospital is eligible only if it is a privately owned hospital and continuously has all of the following characteristics during the period for which payments are made:

1. Is capable of treating one or more types of potentially seriously injured persons and has been designated as part of the regional trauma care system by the local Emergency Medical Service (EMS) agency, in accordance with Health & Safety Code section 1798.160.
 2. Maintains specialized equipment and a panel of physician specialists available at all times to treat trauma patients, as required by California Code of Regulations, Title 22, sections 100259 [for Level I and Level II Trauma Centers], 100261 [for Level I and Level II Pediatric Trauma Centers], 100263 [for Level III Trauma Centers], and 100264 [for Level IV Trauma Centers].
 3. Provides trauma and emergency medical services to Medi-Cal beneficiaries.
 4. Has a contract in effect with the local EMS agency.
 5. Has received certification from the local EMS agency that the enhanced trauma hospital payments would help ensure continued access to trauma services for Medi-Cal beneficiaries within Los Angeles County or Alameda County.
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6, Has a contract in effect with the California Department of Health Services (DHS) that complies with the requirements set forth in Section B, below,

B. ENHANCED TRAUMA HOSPITAL PAYMENTS -- AUTHORITY AND METHODOLOGY

Notwithstanding any other provision of this Attachment, DHS may contract to provide enhanced trauma payments to Eligible Trauma Hospitals pursuant to Welfare and Institutions Code sections 14087.3 or any similar or successor statutory authority.

1. The enhanced trauma hospital payments provided by DHS shall be specified in the contract and shall be based on negotiated amounts for Medi-Cal trauma and emergency room services provided in a hospital outpatient department of the Eligible Trauma Hospital, except when such services are immediately followed by an inpatient admission.
2. (a) The enhanced trauma hospital payments that are negotiated will take into account the recommendation of the local EMS agency and will not exceed the aggregate of all Eligible Trauma Hospitals' uncompensated costs of providing outpatient hospital services to Medi-Cal beneficiaries within the participating county. For purposes of determining this payment limit, each Eligible Trauma Hospital's uncompensated costs for Medi-Cal outpatient hospital services will be determined for the immediately prior fiscal year (based on the hospital's most recently filed Medi-Cal cost report, in a format specified by DHS), and will include the uncompensated costs of trauma and emergency services, and all other Medi-Cal outpatient hospital services rendered to Medi-Cal beneficiaries.

(b) A Trauma Hospital's uncompensated costs will also include Medi-Cal's proportionate share of the uncompensated costs incurred for physician availability for trauma and emergency services,

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whether or not such costs are recognized as allowable under Medicare reasonable cost principles.

- (c) The Uncompensated costs described in Paragraph B.2(a), will be determined in accordance with cost reimbursement principles identified in 42 C.F.R. Part 413, and to the extent not governed by Part 413, by Generally Accepted Accounting Principles.
- (d) Subject to the payment limits set forth in Paragraph B.2(a), an Eligible Trauma Hospital may receive enhanced trauma hospital payments in excess of its individual uncompensated costs, as calculated pursuant to Paragraph B.2(a)-(c), so long as the aggregate Medi-Cal payments to all private hospitals do not exceed the applicable upper payment limit established in 42 C.F.R. section 447.321.
3. Differences between the cost data used for purposes of determining the enhanced trauma hospital payment amounts and the final cost information from the settled/audited cost reports will not be reconciled.
4. Payments will be made on a quarterly, semi-annual or annual lump sum basis or may be made on any other federally allowable basis provided for in the Eligible Trauma Hospital's contract with DHS. Payments will be directly related to the fiscal year in which services are rendered.

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5. The enhanced trauma hospital payments will supplement, and will not supplant, any current Medi-Cal payments for trauma or emergency services.
6. Total Medi-Cal reimbursement provided to an Eligible Trauma Hospital will not exceed applicable federal upper payment limits as described in 42 C.F.R. 447.321.

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