

**REVISED UPDATED INFORMATIVE DIGEST/POLICY STATEMENT  
OVERVIEW**

Welfare and Institutions Code Section 14105 requires the Department of Health Care Services (Department) to adopt regulations establishing reimbursement rates for Medi-Cal providers of health care services and mandates for the emergency adoption of regulations for these changes in response to legislative budgeting decisions.

This Certificate of Compliance makes permanent the emergency amendments to the California Code of Regulations (CCR), Title 22 to reflect reimbursement rates established by the Department for specific types of facilities providing long-term care services to Medi-Cal beneficiaries. There are two time periods affecting the CCR sections established in the table below that are revealed through this regulatory action. The first time period being July 1, 2003 through July 31, 2003, which reflects the standard reimbursement rate for that period in addition to the Quality Assurance Fee (QAF), as described below. The second time period is the rate year August 1, 2003 through July 31, 2004. In the 2003-04 Budget Act (Chapter 157, Statutes of 2003), Items 4260-101-0001 and 4260-101-0890, the Legislature appropriated funding to pay these rates. These reimbursement rates are for services provided on or after August 1, 2003 and include the QAF, as described below.

This regulatory action establishes that reimbursement rates, as described above, include the QAF, pursuant to provisions under Health and Safety Code, Sections 1324 through 1324.14. These provisions require the Department to impose a QAF of six percent of the entire gross receipts for each Intermediate Care Facility for the Developmentally Disabled (ICF/DD), Intermediate Care Facility for the Developmentally Disabled-Habilitative (ICF/DD-H), and Intermediate Care Facility for the Developmentally Disabled-Nursing (ICF/DD-N), effective July 1, 2003.

The Title 22, CCR sections that are affected through this regulatory action, the service and the weighted average percentage change are specified in the table below.

<u>Section</u>	<u>Service</u>	<u>Weighted Average Percentage Change</u>
51510 (e)	Nursing Facility Level A Services	1.47
51510.1(d) & (e)	Intermediate Care Services for the Developmentally Disabled	2.38
51510.2(a)	Intermediate Care Services for the Developmentally Disabled-Habilitative	0.00
51510.3(a)	Intermediate Care Services for the	0.00

<u>Section</u>	<u>Service</u>	<u>Weighted Average Percentage Change</u>
	Developmentally Disabled-Nursing	
51511(a)	Nursing Facility Level B Services 2003-04	3.92
51511.5(a), (e) (f) & (g)	Nursing Facility Services – Subacute Care Reimbursement	0.82
51511.6(a), (b) & (c)	Nursing Facility Services – Pediatric Subacute Care Reimbursement	2.00
51535(d)	Leave of Absence	2.02
51535.1(d)	Bed Hold for Acute Hospitalization	2.02
51544(h)	Hospice Care	N/A
54501(b)	Adult Day Health Care Services	1.47

The percentages listed above cannot be used to determine the rate for each facility category from the prior year. The percentage changes shown above are averages of all facility categories in each regulation section, weighted by patient days for those categories.

In addition to the reimbursement rates as specified above this regulatory action will also accomplish the following:

- Make non-substantial grammatical, typographical, organization, cross reference, and capitalization amendments where applicable throughout the regulations.
- Under Section 51510(e) specify rates for freestanding Level A nursing facilities.
- Under Sections 51511(a)(2)(C) and 51511.5(f)(2) state the audit disallowance factor to reflect data for the fiscal year 2003-04 rate setting period.
- Under Sections 51511 and 51511.5 revise dates to reflect the fiscal year 2003-04 rate setting period.
- Under Section 51544(h) set forth that payment for hospice care services shall be 95 percent of the facility's Medi-Cal per diem rate where the patient resides.

There have been no changes to the underlying laws or the effect of these regulations during the Certificate of Compliance rulemaking process.