



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

August 12, 2014

**Mr. Paul Boben, PhD.**

Technical Director  
Division of State Demonstrations and Waivers  
Center for Medicaid and CHIP Services, CMS  
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**Ms. Angela Garner**

Deputy Director  
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**Ms. Mehreen Hossain**

Project Officer  
Division of State Demonstrations and Waivers  
Center for Medicaid and CHIP Services, CMS  
7500 Security Boulevard, Mail Stop S2-02-26  
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**RE: California Bridge to Reform Demonstration (No. 11-W-00193/9) –  
Withdrawal of the Non-Designated Public Hospitals (NDPHs) Safety Net Care Pool  
(SNCP) Uncompensated Care and Delivery System Reform Incentive Pool (DSRIP)  
Program Proposed Amendment**

Dear Mr. Boben, Ms. Garner, and Ms. Hossain:

On June 29, 2012, The Department of Health Care Services (DHCS) submitted a proposal to amend the section 1115 Bridge to Reform (BTR) Demonstration to 1) increase the SNCP Uncompensated Care limit to allow claiming for uncompensated care costs incurred by NDPHs and 2) operate a Delivery System Reform Incentive Pool (DSRIP) program for NDPHs.

DHCS would like to express appreciation of CMS' engagement in active discussions with DHCS on this proposal from initial submission through June 2014.

Based on the discussions with CMS, it is our understanding that approval of the State's requested amendment, as proposed, is not feasible. There are significant timing and resource constraints in further refining the program design of this proposal, and the state would need to carefully evaluate the impact to NDPHs in the consideration of alternative proposals by CMS. DHCS is encouraged that CMS stated their willingness to consider an NDPH DSRIP design that builds upon what was proposed in this amendment, and further develop the concept of NDPHs' participation in an uncompensated care pool, as part of a Waiver renewal submission.

We look forward to continued collaboration with CMS on innovative demonstration options that build upon the concepts in this proposal.

Should you have any questions, please contact Wendy Soe at: (916) 552-9607.

Sincerely,

*[ORIGINAL SIGNED BY MARI CANTWELL]*

Mari Cantwell  
Chief Deputy Director  
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