

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



Division of Medicaid & Children's Health Operations

March 6, 2018

Mari Cantwell
Chief Deputy Director, Health Care Programs
CA Department of Health Care Services
Director's Office, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

In accordance with 42 CFR 438.6(c), the Centers for Medicare & Medicaid Services (CMS) has reviewed and is approving California's submission of a proposal for delivery system and provider payment initiatives under Medicaid managed care plan contracts. The proposal was received by CMS on June 30, 2017.

Specifically, the following proposal for delivery system and provider payment initiatives is approved:

- Quality Incentive Pool for designated public hospital systems defined by CA Welfare & Institutions Code 14184.10(f)(1) for the rating period covering July 1, 2017 through June 30, 2018

This approval letter does not constitute approval of any Medicaid managed care plan contracts or rate certifications for the aforementioned rating period, or any specific Medicaid financing mechanism used to support the provider payment arrangement. All other federal laws and regulations apply. This approval letter only satisfies the regulatory requirement pursuant to 42 CFR 438.6(c)(2) for written approval prior to implementation of any payment arrangement described in 42 CFR 438.6(c)(1). Approval of the corresponding Medicaid managed care plan contracts and rate certifications is still required.

If you have questions concerning this letter, please contact John Giles, Division of Managed Care Plans at (410) 786-1255 or Carolyn Kenline at (415) 744-3591.

Sincerely,

/s/

Henrietta Sam-Louie
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: James I. Golden, PhD, DMCP
Debbie Anderson, DMCP
John Giles, DMCP