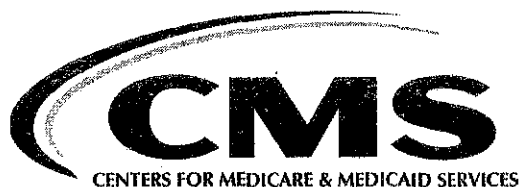


DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop 53-14-28  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

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Toby Douglas, Director  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

APR 30 2014

Dear Mr. Douglas:

On March 13, 2014, DHCS submitted to CMS a proposed amendment to the Superior Systems Waiver (SSW). This amendment permits Designated Public Hospitals (DPHs) to use evidence-based standardized medical review criteria in lieu of the current Treatment Authorization Request (TAR) process for acute intensive inpatient rehabilitation services. This amendment has been approved, and is effective April 23, 2014.

DPHs had already, in large part, transitioned their utilization review from TARs to standardized medical review criteria systems such as InterQual or Milliman Care Guidelines (MCG). However, TARs were still in place for some DPH services, including acute rehabilitation services and psychiatric inpatient days. This amendment describes an initiative to transition utilization review for acute rehabilitation services provided in DPHs from TARs to MCG. The eight DPHs that provide these services are scheduled to transition between July 1, 2014 and December 1, 2014.

The current SSW is effective from October 1, 2013 to September 30, 2015. The State will submit a two-year SSW request to be effective from October 1, 2015 through September 30, 2017. This expected waiver will describe strategies to transition private hospitals from submitting TARs for inpatient admission days to using evidence-based standardized medical utilization review criteria. Non-Designated Public Hospitals (NDPHs) are currently transitioning from TARs to MCG for inpatient admissions.

CMS appreciates DHCS' collaboration on this matter. We look forward to continuing our work on the SSW, the DRG transition and the Public Hospital Project.

If you have any questions or need additional information, please contact Tyler Sadwith at (415) 744-3563.

Sincerely,  
Originally signed by



Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

cc: Doug Robins, DHCS, Clinical Assurance and Administrative Support Division  
Paul Miller, DHCS, Clinical Assurance and Administrative Support Division  
Lupe Cruz-Tiscareno, DHCS, Clinical Assurance and Administrative Support Division  
Rosemary Lamb, DHCS, Clinical Assurance and Administrative Support Division  
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