

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



EDMUND G. BROWN JR.  
Governor

JUN 3 0 2011

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STATE PLAN AMENDMENT 11-009: Ten Percent Payment Reduction for Medi-Cal  
Outpatient Services

Dear Dr. Nagle:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 11-009 for your review and approval. SPA 11-009 amends pages 3, 3.1 and 64 of Attachment 4.19-B to end-date the current one and five percent payment reductions for specified outpatient services (SPA 10-022) and implement a new ten percent payment reduction for these services, effective for dates of service on or after June 1, 2011. Outpatient services include, but are not limited to physicians, clinics, hospital outpatient departments, optometrists, therapists, laboratories, dental, durable medical equipment, pharmacy and services provided by the California Children's Services program. Assembly Bill 97, Chapter 3, Statutes of 2011, requires DHCS to implement these changes to Medi-Cal payments for outpatient services.

Specifically, SPA 11-009 amends page 3 to:

- End-date the current one percent payment reduction for outpatient services as of May 31, 2011.
- Include the exemption from the one percent payment reduction for services provided under the Family Planning, Access, Care and Treatment (Family PACT) Program. This program was transferred from a waiver to a State Plan service effective July 1, 2010 (SPA 10-014).
- End-date the current five percent payment reduction for non-drug services provided by a pharmacy.

SPA 11-009 amends page 3.1 to:

- Include the exemption from the five percent payment reduction for services provided under the Family Planning, Access, Care and Treatment (Family PACT) Program; and
- Implement a ten percent payment reduction for outpatient services, effective for dates of service on or after June 1, 2011.

SPA 11-009 amends page 64 to:

- End-date the current five percent payment reduction for Adult day Health Care (ADHC) Centers as of May 31, 2011; and
- Implement a ten percent payment reduction for ADHC services, effective for dates of service June 1, 2011 through August 31, 2011, reflecting the pending elimination of ADHC services as a Medi-Cal benefit, effective September 1, 2011. Please refer to SPA 11-014 for information relating to the elimination of the ADHC benefit.

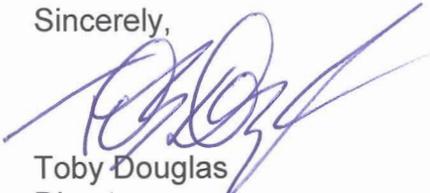
In addition to the SPA, the CMS Form 179 and the SPA Impact form are enclosed.

On May 16, 2011, DHCS notified Indian Health Programs and Urban Indian Organizations of these changes to Medi-Cal payments for outpatient services. Also, on May 31, 2011, DHCS held a Webinar to allow discussion and feedback. To date no comments have been received.

A Public Notice was published in the California Register on May 27, 2011, to notify Medi-Cal outpatient services providers of the pending changes in payments.

If you have questions or need additional information, please contact Ms. Vickie Orlich, Chief, Benefits, Waiver Analysis, and Rates Division, at (916) 552-9400.

Sincerely,



Toby Douglas  
Director

Enclosures