



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



EDMUND G. BROWN JR.
Governor

JUN 30 2011

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Centers for Medicare and Medicaid Services
Division of Medicaid and Children's Health
90 7th Street, Suite 5-300 (5W)
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STATE PLAN AMENDMENT 11-010: Payment Reduction Up to 10 Percent for Various Long Term Care Services

Dear Dr. Nagle,

Enclosed are the following: State Plan Amendment (SPA) 11-010 (amending Attachment 4.19-D, pages 15.4 and 15.4a), CMS form 179 - Transmittal and Notice of Approval of State Plan Material, and the SPA Impact form for your review and approval.

Welfare and Institutions Code Sections 14105.07 and 14105.192, added by Assembly Bill 97 (Chapter 3, Statutes of 2011), require that, effective June 1, 2011, Medi-Cal payments for the following classes of long term care facilities will be reduced to the 2008-09 rate on file less ten percent:

- Intermediate Care Facilities
- Distinct Part Nursing Facilities
- Rural Swing-Bed Facilities
- Distinct Part Adult Subacute Care Facilities
- Distinct Part Pediatric Subacute Facilities
- Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), including ICF/DD-Habilitative, ICF/DD-Nursing, and ICF/DD-Continuous Nursing

Also effective June 1, 2011, Medi-Cal payments to Freestanding Pediatric Subacute facilities will be reduced by 5.7 percent. The payment reduction will be applied to the rate on file as of May 31, 2011.

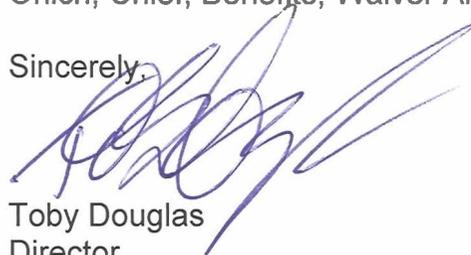
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A Notice of General Public Interest explaining the payment rate reductions for these long-term care services was published in the May 27, 2011, California State Notice Register.

The Department notified Indian Health Programs and Urban Indian Organizations of the reduction to Medi-Cal reimbursement rates for the various long-term care services in a letter dated May 16, 2011. On May 31, 2011, a Webinar was hosted and additional information related to various SPAs, including SPA 11-010, was presented.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Toby Douglas', is written over the word 'Sincerely,'.

Toby Douglas
Director

Enclosures

cc: Vickie Orlich, Chief
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