

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**11-012**

2. STATE  
California

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
November 1, 2011

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 U.S.C. 1396a, 42 CFR Part 440

7. FEDERAL BUDGET IMPACT:

a. FFY 2011-12      \$506,000 Reduction  
b. FFY 2012-13      \$695,000 Reduction

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Limitations on Attachment 3.1-A, Page 14  
Limitations on Attachment 3.1-A, Page 14a  
Limitations on Attachment 3.1-B, Page 14  
Limitations on Attachment 3.1-B, Page 14a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Limitations on Attachment 3.1-A, Page 14, TN 11-015  
Limitations on Attachment 3.1-B, Page 14, TN 11-015

10. SUBJECT OF AMENDMENT:

Implementation of a \$1,510 spending cap on optional hearing aid benefits per beneficiary, per fiscal year.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
The Governor's Office does not  
wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

**Toby Douglas**

14. TITLE:

**Director**

15. DATE SUBMITTED: **JUN 14 2011**

16. RETURN TO:

**Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue, Suite 71.3.26  
P.O. Box 997417  
Sacramento, CA 95899-7417**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:



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



EDMUND G. BROWN JR.  
GOVERNOR

JUN 14 2011

Gloria Nagle, PhD, MPA  
Associate Regional Administrator  
Centers for Medicare & Medicaid Services  
Division of Medicaid & Children's Health Operations  
90 7<sup>th</sup> Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 11-012

Dear Dr. Nagle:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 11-012, as mandated by California Welfare and Institutions Code Section 14131.05, enacted March 24, 2011.

This legislation requires DHCS to cap the maximum amount of Medi-Cal coverage for optional hearing aid benefits at \$1,510 per beneficiary for each state fiscal year. Hearing aid benefits include hearing aids, and hearing aid supplies and accessories. The \$1,510 cap does not apply to replacement of hearing aids that are lost, stolen, or irreparably damaged due to circumstances beyond the beneficiary's control.

The following are exempt from the hearing aid benefits cap:

- Pregnancy-related benefits and benefits for the treatment of other conditions that might complicate the pregnancy.
- Beneficiaries under the Early and Periodic Screening Diagnosis and Treatment Program.
- Beneficiaries receiving long-term care in a licensed skilled nursing facility or intermediate care facility (NF-A and NF-B).
- Beneficiaries receiving long-term care in a licensed intermediate care facility for the developmentally disabled (ICF/DD), including an ICF/DD Habilitative and ICF/DD Nursing.
- Beneficiaries in the Program for All-Inclusive Care for the Elderly.
- Beneficiaries receiving contracted managed care with Senior Care Action Network and AIDS Healthcare Foundation.

DHCS calculated the Federal Budget Impact of \$506,000 in FY 2011/2012 and \$695,000 in 2012-2013 as indicated in block 7 of form HCFA-179 as follows:

- prepared a data run to identify past reimbursement totals paid out for all hearing aid benefits during the state fiscal year 2008-09;
- removed reimbursements associated with exempted beneficiaries;
- estimated the total savings by removing all costs below the \$1,510 limit; and
- multiplied the total savings by an FMAP value of 50%.

On April 8, 2011, DHCS notified Indian Health Programs and Urban Indian Organizations of SPA 11-012, in compliance with the American Recovery and Reinvestment Act of 2009. As of the date of this letter, no comments have been received.

The enclosed SPA revises or adds language to the provisions set forth in the Limitations on Attachment 3.1-A and 3.1-B, pages 14 and 14a, Type of Service 7c.3 (hearing aids) as necessary to implement California Welfare and Institutions Code section 14131.05. Also, this SPA corrects a typographical error; Page 14 revises Type of Service 7c.3 (Hearing aids) by changing "... b 30 dB ..." to "... be 30 dB ..."

If you have any questions regarding the information provided, please contact Ms. Vickie Orlich, Chief, Medi-Cal Benefits, Waiver Analysis and Rates Division, at (916) 552-9400.

Sincerely,



Toby Douglas  
Director

Enclosures

cc: Donald A. Novo  
Medicaid Program Branch Manager  
Division of Medicaid and Children's Health Operations  
San Francisco Regional Office  
Centers for Medicare and Medicaid Services  
90 Seventh Street, Suite 5-300(5W)  
San Francisco, CA 94103

cc: Continued on next page.

Dr. Gloria Nagle  
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cc: Vanessa M. Baird  
Deputy Director  
Health Care Benefits and Eligibility  
Department of Health Care Services  
P.O. Box 997413, MS 4000  
Sacramento, CA 95899-7413

Vickie Orlich, Chief  
Benefits, Waiver Analysis and Rates Division  
Department of Health Care Services  
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