



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



EDMUND G. BROWN JR.  
GOVERNOR

May 12, 2011

Ms. Gloria Nagle  
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 11-014

Dear Ms. Nagle: *Gloria*:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 11-014, which adds provisions mandated by Assembly Bill 97 (Chapter 3, Statutes of 2011).

This legislation eliminates adult day health care (ADHC) services as a Medi-Cal optional benefit.

DHCS calculated the Federal Budget Impact of \$176 million in FY 2011/2012 as indicated in block 7 of form HCFA-179 as follows:

- Prepared a data run of past reimbursement totals paid out for ADHC services during the state fiscal year 2008-09; and
- Multiplied the total savings by an FMAP value of 50% to determine the Federal Budget Impact.

In compliance with the new policy set forth by the American Recovery and Reinvestment Act of 2009 (ARRA), on April 19, 2011, DHCS notified Indian Health Programs and Urban Indian Organizations of SPA 14-014. As of the date of this letter, no comments have been received from Indian Health Programs and Urban Indian Organizations.

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The enclosed SPA revises the following pages:

- Limitations on Attachment 3.1-A, page 19 - deleted reference to adult day health care in 13d.1.
- Limitations on Attachment 3.1-B, page 19 - deleted reference to adult day health care in 13d.1.
- Attachment 4.19-B, page 6C - deleted subsection (c) regarding ADHC.
- Attachment 4.19-B, page 6D - deleted continuation of subsection (c) from page 6C and references to ADHC in 3 (b).
- Supplement 6 Attachment 4.19B, page 2 - deleted reference to ADHC in letter B.

Pursuant to Assembly Bill 97 (Chapter 3, Statutes of 2011), "this section shall be implemented...on the first day of the first calendar month following 60 days after the date the department secures all necessary federal approvals to implement this section..." Therefore, DHCS's proposed implementation date is September 1, 2011 based on receiving approval from the Centers for Medicare and Medicaid Services (CMS) in June 2011.

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: See next page.

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cc: Donald A. Novo  
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