



Department of Health Care Services  
**MEMORANDUM**

**DATE:** April 19, 2011  
**TO:** California Indian Health Programs and Urban Indian Organizations  
**FROM:** Sandra "Sam" Willburn, Chief, Primary and Rural Health Division  
**SUBJECT:** Notice of Proposed Change to the Medi-Cal Program

*Copy me  
for*

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

**SPA 11-014 - Elimination of the Adult Day Health Care (ADHC) Program:** SPA 11-014 will amend the State Plan to implement Assembly Bill (AB) 97, Chapter 3, Statutes of 2011, Section 104. In part, AB 97, Section 104 will eliminate the Medi-Cal ADHC program as an optional benefit, effective the first day of the first calendar month following 90 days after the effective date of the legislation, or on the first day of the first calendar month following 60 days after the date DHCS secures all necessary federal approvals to eliminate ADHC, whichever is later, pursuant to the state legislation. DHCS is required to submit a SPA anytime it adds or eliminates a State Plan service. This SPA seeks approval from the CMS to eliminate the ADHC program, which is currently an optional benefit under Medi-Cal. Please see the attached summary of SPA 11-014 for a detailed description and contact information for questions or comments regarding this proposal.

DHCS will hold a teleconference to provide an opportunity to discuss and provide immediate feedback regarding this SPA. The teleconference will be held at 11 a.m. to 12:30 p.m., **April 26, 2011**. To participate in this teleconference dial toll-free, 1-877-441-8127. When asked for a participant code number you will dial 6959856. Please note this SPA is scheduled for submission on May 10, 2011.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal prior to the submission of this SPA. Comments may be sent by email to [Janice.Spitzer@dhcs.ca.gov](mailto:Janice.Spitzer@dhcs.ca.gov), or by mail to:

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**Administrative Support Unit  
Utilization Management Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4506  
Sacramento, CA 95814  
Attention: Janice Spitzer**

**Enclosure**

**Department of Health Care Services  
Benefits, Waiver Analysis and Rates Division  
State Plan Amendment Number 11-014 to Eliminate  
Adult Day Health Care**

**Background:**

As enacted on March 24, 2011, by Assembly Bill (AB) 97, Chapter 3, Section 104 of Statutes of 2011, the Medi-Cal ADHC benefit will be eliminated on the first day of the first calendar month following 90 days after the effective date of this legislation, or on the first day of the first calendar month following 60 days after the date DHCS secures all necessary federal approvals to eliminate ADHC, whichever is later, pursuant to the state legislation. Accordingly, DHCS is required to submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) to obtain federal approval to eliminate ADHC.

**Description of SPA:**

DHCS is required to submit a SPA to CMS for approval of elimination of this State Plan benefit. DHCS plans to submit such SPA during the month of May 2011.

**Impact on Indian Health Programs or Urban Indian Organizations:**

• **Impact on Indian Health Programs**

This SPA eliminates ADHC, which is currently an approved optional benefit under the Medi-Cal program. This SPA will affect Indian Health Programs only to the extent that Indian Health Programs operate or may seek to operate an ADHC center under the Medi-Cal program.

• **Impact on Indian Medi-Cal Beneficiaries**

This SPA eliminates ADHC, which is currently an approved optional benefit under the Medi-Cal program. This SPA will affect Indian Medi-Cal beneficiaries only to the extent that such beneficiaries are currently receiving or may seek to access ADHC under the Medi-Cal program.

**Response Date:**

DHCS plans to conduct a teleconference on April 26, 2011, to allow the Indian Health Programs and Urban Indian Organizations an opportunity to discuss this SPA and provide feedback to DHCS. Comments may be sent by mail to the address below:

**Contact Information:**

Department of Health Care Services  
Benefits, Waiver Analysis and Rates Division  
1501 Capitol Ave. Suite 71.4001  
MS 4600  
P.O. Box 997417  
Sacramento, CA 95899-7417  
Attn: Janice Spitzer