

- Orthotists and prosthetists
- Pharmacies/pharmacists
- Physicians
- Podiatrists
- Providers of services under the California Children's Services/Genetically Handicapped Persons Program

**PUBLIC REVIEW**

The proposed changes are available for public review at local county welfare offices throughout California. Written comments must be submitted within 45 days from the publication date of these changes in the California Regulatory Notice Register. All comments should include the author's name, organization or affiliation, phone number and Provider ID number, if appropriate. Members of the public may request the proposed list of billing codes, and proposed reimbursement rates under the 2011 HCPCS Update form, and submit comments to:

Lupe Martinez  
 Provider Rate Section  
 California Department of Health Care Services  
 1501 Capitol Avenue  
 MS 4600  
 P.O. Box 997417  
 Sacramento, CA 95899-7417

**DEPARTMENT OF HEALTH CARE SERVICES**

**THE DEPARTMENT OF HEALTH CARE SERVICES QUALITY ASSURANCE FEE ON SKILLED NURSING FACILITIES FOR THE 11-12 RATE YEAR**

This notice provides information concerning the Quality Assurance Fee (QAF) on each skilled nursing facility for the rate year August 1, 2011, to July 31, 2012, approved by the Centers for Medicare & Medicaid Services on November 21, 2011. California Health and Safety Code sections 1324.20 through 1324.30, and Welfare and Institutions Code section 14105.06, authorize the Department of Health Care Services (DHCS) to collect a QAF from all non-exempt Freestanding Skilled Nursing Facilities and Freestanding Skilled Adult Subacute Nursing Facility Level-Bs (FS/NF-Bs). The purpose of this fee is to enhance federal financial participation in the MediCal program, provide additional reimbursement to, and support quality improvement efforts in, licensed FS/NF-Bs providing services for the Medi-Cal program.

**QAF IMPOSED FOR THE 2011-12 RATE YEAR**

DHCS will collect the following QAF on a monthly basis:

FS/NF-Bs with total annual resident days equal to or greater than 100,000 - \$13.43 per resident day.

FS/NF-Bs with total annual resident days less than 100,000 - \$14.33, per resident day.

DHCS will send quarterly notices to each non-exempt FS/NF-B and three monthly payment forms. Payments are due on or before the last day of the month following the month for which the fee is imposed.

**PUBLIC REVIEW AND COMMENTS**

A copy of the California Health and Safety Code sections 1324.20 through 1324.30, and Welfare and Institutions Code section 14105.06 may be requested from, and any comments may be sent to:

Mr. Grant Gassman, RMII  
 Long Term Care Section  
 Department of Health Care Services  
 1501 Capitol Avenue, Suite 71.4001  
 MS 4612  
 P.O. Box 997417  
 Sacramento, CA 95899-7417

**DEPARTMENT OF HEALTH CARE SERVICES**

**PROPOSAL TO ADJUST PROVIDER PAYMENT REDUCTIONS FOR SELECTED MEDI-CAL DRUG PRODUCT PAYMENTS**

Assembly Bill (AB) 97, Section 93.5 of the Statutes of 2011 authorized the Department of Health Care Services (DHCS) to implement payment reductions for Medi-Cal outpatient services up to 10 percent, in the aggregate, for dates of service on or after June 1, 2011. The statute authorizes DHCS to implement the reductions only to the extent that DHCS determines that the reduced payments that result from the reductions comply with applicable federal Medicaid requirements, including 42 United States Code section 1396a(a)(30)(A) and that federal financial participation will be available.

On October 27, 2011, the Centers for Medicare and Medicaid Services (CMS) approved State Plan Amendment 11-009, which provides for 10 percent provider payment reductions, effective June 1, 2011. SPA 11-009 also states that DHCS will monitor the effect of the payment reductions in accordance with its monitoring plan entitled, "Monitoring Access to Medi-Cal Covered Healthcare Services," but it does not specifi-

cally state: 1) the payment reductions shall be reduced by an amount that does not exceed 10 percent on an aggregate basis, or 2) the State Agency retains the discretion to not implement the particular payment reduction or adjustment and may adjust the payment as necessary in order to achieve consistency with federal Medicaid requirements, or 3) these adjustments include, but are not limited to, payment adjustments for specific drug products or for specific providers of drug products.

Based on preliminary information, as well as input from pharmacy providers received subsequent to CMS's approval of the 10 percent payment reduction, DHCS believes that for selected specific drug products, or for specific types of providers, or in specific geographic areas, such a reduction may impede access to selected Medi-Cal drug benefits and possibly result in a violation of federal Medicaid requirements. CMS has informed DHCS that the State Plan language as recently approved does not provide the flexibility for DHCS to take any action other than to reduce all pharmacy provider payments by 10 percent. A State Plan Amendment is required to incorporate language that will provide DHCS the flexibility to adjust payments in a manner that will result in an aggregate savings of no more than 10 percent while providing access consistent with federal Medicaid requirements.

**Description of SPA:**

DHCS intends to submit a SPA on or before December 31, 2011, that will give DHCS the flexibility to 1) reduce or adjust payment reductions by an amount that does not exceed 10 percent on an aggregate basis, 2) retain the discretion to not implement the particular payment reduction or adjustment and may adjust the payment as necessary in order to achieve consistency with federal Medicaid requirements, and 3) include as adjustments, but not be limited to, payment adjustments for specific drug products or for specific providers of drug products.

DHCS estimates that the payment adjustments made pursuant to this State Plan Amendment will increase State General Fund expenditures. The amount of increase is unknown as it is dependent on future events that cannot be predicted. Any increase will not exceed the projected General Fund savings from drug product payments created by the 10 percent payment reduction.

**PUBLIC REVIEW AND COMMENTS**

The California statutes discussed above are available for public review at local county welfare offices throughout the State. Written comments (or requests for copies of the statutes and/or copies of the written comments) may be submitted to:

**Mailing Address via U.S. Postal Office:**

California Department of Health Care Services  
Pharmacy Benefits Division  
(Attn: K Henry)  
MS 4604  
P.O. Box 997417  
Sacramento, CA 95899-7417

**Mailing Address for Courier Deliveries ONLY**

(UPS, FedEx, Golden State Overnight, etc):  
(Attn: K Henry)  
1501 Capitol Avenue  
Suite 71.5131, MS 4604  
Sacramento, CA 95814-5005

**By Email:**

[Pharbene@dhcs.ca.gov](mailto:Pharbene@dhcs.ca.gov)

**By FAX:** (916) 552-9563

All comments should include the author's name, organization or affiliation, phone number and Provider ID number if appropriate.

**OFFICE OF ENVIRONMENTAL  
HEALTH HAZARD ASSESSMENT**

**CALIFORNIA ENVIRONMENTAL  
PROTECTION AGENCY**

**OFFICE OF ENVIRONMENTAL HEALTH  
HAZARD ASSESSMENT**

**NOTICE TO INTERESTED PARTIES**

**NOTICE OF PUBLIC WORKSHOPS  
ON**

**AIR TOXICS HOT SPOTS PROGRAM —  
PROPOSED REVISIONS TO THE TECHNICAL  
SUPPORT DOCUMENT FOR EXPOSURE  
ASSESSMENT AND STOCHASTIC ANALYSIS**

**December 16, 2011**

OEHHA is announcing Public Workshops on the updated draft of the *Air Toxics Hot Spots Program Technical Support Document For Exposure Assessment and Stochastic Analysis*.

Public workshops will be held at 10:00 a.m. – 2:00 p.m. on December 20, 2011 in Diamond Bar and 10:30 a.m. – 2:30 p.m. on December 22, 2011 in Oakland. Location information is as follows: