



STATEMENT: PROVIDER PAYMENT REDUCTIONS (ICF-DD)

The Department of Health Care Services (DHCS) recently announced federal approval of Medi-Cal provider payment rate reductions, including for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD). The decision to reduce payments is a difficult and painful one, forced by the state's need to address its critical budget shortfall.

State law requires DHCS to gain federal approval ensuring that ICF-DD access will remain compliant with Medicaid law prior to implementing any of the savings proposals. In the spirit of the law, DHCS conducted an extensive and comprehensive analysis of beneficiary access to ICF-DD services in California prior to seeking federal approval of this most recent budget savings proposal. The federal Centers for Medicare & Medicaid Services will use our access analysis as part of their comprehensive review of our proposed State Plan Amendment.

DHCS will implement, after federal approval, reductions it deems appropriate and that will preserve ICF-DD beneficiary access levels to the standard required by Medicaid law. In addition, DHCS has created a unique and comprehensive monitoring plan to ensure that we will preserve adequate ICF-DD access following the implementation of the payment reductions. This plan, coupled with the analyses, supports California's commitment to continue providing critical, meaningful health care services to low-income and disabled Californians.

DHCS has compiled a comprehensive "Frequently Asked Questions" document now posted on the DHCS website (www.dhcs.ca.gov). Please visit this page for further information, and check back often for updates with answers to more questions about the provider payment reductions. Additional questions may be submitted by emailing rate.reduction@dhcs.ca.gov.