



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

SEP 29 2014

Hye Sun Lee, M.P.H
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 14-031: EMERGENCY MEDICAL AIR
TRANSPORTATION ACT - SUPPLEMENTAL PAYMENTS

Dear Ms. Lee,

The California Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 14-031 documents for your review and approval. SPA 14-031 will provide supplemental payments to emergency medical air transportation providers for services rendered in State Fiscal Year 2014-15.

Assembly Bill 2173 (Chapter 547, Statutes of 2010) established the Emergency Medical Air Transportation Act (EMATA) to authorize, beginning January 1, 2011, an additional \$4 penalty to be levied and collected on statewide vehicle violations, with the exception of parking offenses, for the purposes of providing payment and/or rate augmentations for Medi-Cal emergency medical air transportation. This SPA modifies Supplement 16 to Attachment 4.19B in order to add information regarding the augmentation payments for air medical transportation services to be paid in Fiscal Year 2014-15.

The following SPA documents are included for your review and approval:

- HCFA 179 – Transmittal and Notice of Approval of State Plan Material
- Pages 5 and 6 of Supplement 16 to Attachment 4.19B (clean version)
- Pages 5 and 6 of Supplement 16 to Attachment 4.19B (redline version)

A Notice of Public Interest for the augmented payments related to emergency medical air transportation services was published January 6, 2011, in the California State Notice

Hye Sun Lee
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Register. On August 27, 2014, the Centers for Medicare & Medicaid Services (CMS) informed DHCS that a tribal notice was not required for this SPA.

If you have any questions or need additional information, please contact Connie Florez, Chief, Fee-For-Service Rates Development, at (916) 552-9589.

Original Signed By
Toby Douglas

Enclosures

- I) HCFA 179 Form
- II) Clean version of pages 5 and 6 of Supplement 16 to Attachment 4.19B
- III) Red-lined version of pages 5 and 6 of Supplement 16 to Attachment 4.19B
- IV) Public Notice

cc: Tom Schenck
Health Insurance Specialist/California Medicaid Lead
Division of Medicaid & Children's Health Operations
San Francisco Regional Office
Centers for Medicare and Medicaid Services
90 Seventh Street, San Francisco, CA 94103

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

1. TRANSMITTAL NUMBER:
14-031

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
July 1, 2014

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 CFR 447, Subpart F

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$4,500,000
b. FFY 2015 \$4,500,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 16 to Attachment 4.19-B pages 5 and 6

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

Supplement 16 to Attachment 4.19-B pages 5 and 6

10. SUBJECT OF AMENDMENT:

Supplemental payments for Air Medical Transportation Services

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.

Original Signed by:

Toby Douglas

14. TITLE:

Director

15. DATE SUBMITTED

9/26/14

16. RETURN TO:

Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
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 PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

A. Amendment Scope and Authority

This amendment provides the authority to implement a payment methodology to provide for supplemental payments to eligible Medi-Cal air medical transportation providers that provide Fee-for-Service (FFS) emergency air medical transportation services for the dates of service period January 7, 2012 -June 30, 2012.

1. A first supplemental payment will be made no later than, November 30, 2012, for emergency air medical transportation services provided for the dates of service period January 7, 2012-March 31, 2012.
2. A second supplemental payment will be made no later than, December 31, 2012, for emergency air medical transportation services provided for dates of service period April I, 2012-June 30, 2012.

B. Eligible Medical Transportation Providers

1. Medical transportation providers eligible for the supplemental payment under this amendment are air medical transportation providers that meet the following conditions:

- (a) Is actively enrolled as a Medi-Cal air medical transportation provider.
- (b) Operates an aircraft that meets the definition of an "Air Ambulance" as defined in Section 100280 in Title 22 of the California Code of Regulations (CCR) which was implemented April 28, 1988.
- (c) Is certified by the Federal Aviation Agency (FAA) to use their aircraft for purpose of being an air medical transportation provider.

C. Definitions

1. "Emergency air medical transportation services" means services that are defined in Section 51323(c) of Title 22 of the CCR.

TN 12-001A

Supersedes

TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

D. Supplemental Payment Methodology

1. Air medical transportation providers will be paid two (2) supplemental payments for emergency air medical transportation services as set forth in this section. The supplemental payment amounts will be in addition to any other amounts payable to Medi-Cal air medical transportation providers with respect to those services and will not affect any other payments to air medical transportation providers. The total payment of base payment and supplemental payment should not exceed a provider's usual and customary rates charged to the general public.

2. The supplemental payments will only be paid for Medi-Cal emergency air medical transportation services provided in the Medi-Cal FFS program.

3. The supplemental payments will be based on a total pool amount of \$12,226,136 and divided among the total eligible air medical transportation providers that have submitted claims and received payment for the dates of service period January 7, 2012 to June 30, 2012. The calculations will be based upon the type of service and amount of services rendered and claimed on a per transport basis. The remaining pool balance after the second supplemental payment distribution will be disbursed through a rate adjustment for services on or after July 1, 2012.

4. (a) The first supplemental payment will be paid by November 30, 2012, and will be based on 50% of the total pool amount referenced in Section D.3. above.

(b) The first supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning January 7, 2012- March 31, 2012.

(c) The supplemental payment for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.

(i) Base rates for FFS emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates web site: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

(ii) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each

TN 12-001A

Supersedes

TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

eligible emergency air medical transportation service in 4(c)(i) and the number of total paid claims for the dates of service period in 4(b).

(iii) The adjustment factor is the ratio of the pool amount and the total cost of providing air medical transportation services and will be calculated by dividing the first supplemental payment pool amount in 4(a) by the current Medi-Cal costs in 4(c)(ii).

5. (a) The second supplemental payment will be paid by December 31, 2012, and will be based on 50% of the pool amount referenced in Section D.3. above.

(b) The second supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning April 1, 2012 to June 30, 2012.

(c) The same methodology as described in Section D.4. of this Supplement 16 to Attachment 4.19B will be used to calculate the second supplemental payment amount for emergency air medical transportation services for dates of service period in 5(b).

TN 12-001A

Supersedes

TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

A. Emergency Air Medical Transportation Service Payment Augmentation

1. Effective for dates of service on and after July 1, 2012, the Department will implement a payment augmentation to eligible Medi-Cal air medical transportation providers, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section B.1, that provide Fee-for-Service (FFS) emergency air medical transportation services.
2. The payment augmentation amount will be in addition to the existing fee schedule rate for emergency air medical transportation and mileage services, as defined in Supplement 16 to Attachment 4.19-B, Page 1, Section C.1 and will not affect any other payments to air medical transportation providers. The sum of the payment augmentation amount and the existing fee schedule rate must not exceed a provider's usual and customary rates charged to the general public for an emergency air medical transport.

B. Payment Augmentation Methodology

1. The payment augmentation will apply to Medi-Cal emergency air transportation services paid for dates of service on and after July 1, 2012.
2. The payment augmentation amount for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.
 - (a) Base rates for emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates web site: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>
 - (b) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each eligible emergency air medical transportation service and the number of total paid claims for the dates of service period.
 - (c) The adjustment factor is the ratio of the annual amount available and the total cost of providing air medical transportation services and will be calculated by dividing the amount available by the current Medi-Cal costs.

TN 12-001B

Supersedes

TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

(i) For the 2012/13 rate year, the annual amount available for the payment augmentation will be based on a total pool amount of \$11,220,000. This pool amount will be allocated to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period July 1, 2012 to June 30, 2013.

(ii) For the 2013/14 rate year, the annual amount available for the payment augmentation will be based on a total pool amount of \$9,000,000. This pool amount will be allocated to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period July 1, 2013 to June 30, 2014.

(iii) For the 2014/15 rate year, the annual amount available for the payment augmentation will be based on a total pool of \$9,000,000. This pool amount will be allocated to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period between July 1, 2014 to June 30,2015.

(iv) For the 2015/16 rate year, the annual amount available for the payment augmentation will be based on a total pool of \$9,000,000. This pool amount will be allocated to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period between July 1, 2015 to June 30,2016.

3. The payment augmentation amount per transport will be calculated annually. Rates will be adjusted each year on July 1st, commencing on July 1, 2012 until June 30, 2017.

C. Termination Date

The reimbursement methodologies described throughout Supplement 16 will sunset on June 30, 2017.

TN 14-031
Supersedes
TN: 12-001B

Approval Date: _____

Effective Date: July 1, 2014

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

D. Payment Augmentation and Effective Date

1. The payment augmentation amount will be an add-on to the existing rate for FFS emergency air medical transportation and will be posted on the State Agency's rates web site for each applicable date of service period.

2. The State Agency's initial rates for FFS emergency air transportation services were last updated on July 1, 2012 and are effective for dates of service on or after that date. The rates for FFS emergency air transportation services are posted on the Medi-Cal Rates web site at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

TN 14-031
Supersedes
TN: 12-001B

Approval Date: _____

Effective Date: July 1, 2014

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION SERVICES

A. Amendment Scope and Authority

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TN 12-001A
Supersedes
TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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D. Supplemental Payment Methodology

1. Air medical transportation providers will be paid two (2) supplemental payments for emergency air medical transportation services as set forth in this section. The supplemental payment amounts will be in addition to any other amounts payable to Medi-Cal air medical transportation providers with respect to those services and will not affect any other payments to air medical transportation providers. The total payment of base payment and supplemental payment should not exceed a provider's usual and customary rates charged to the general public.
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Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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TN 12-001A

Supersedes

TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

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**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

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 - (c) The adjustment factor is the ratio of the annual amount available and the total cost of providing air medical transportation services and will be calculated by dividing the amount available by the current Medi-Cal costs.

TN 12-001B
Supersedes
TN: None

Approval Date: _____

Effective Date: January 7, 2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

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(iv) For the 2015/16 rate year, the annual amount available for the payment augmentation will be based on a total pool of \$9,000,000. This pool amount will be allocated to the eligible air medical transportation providers, using the methodology as described in B(2), that have submitted claims and received payment for the dates of service period between July 1, 2015 to June 30, 2016.

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3. The payment augmentation amount per transport will be calculated annually. Rates will be adjusted each year on July 1st, commencing on July 1, 2012 until June 30, 2017.

C. Termination Date

TN 14-03142-001B

Supersedes

TN: 12-001BNone

Approval Date: _____

Effective Date: January 7, 2012 July 1, 2014

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

The reimbursement methodologies described throughout Supplement 16 will sunset on June 30, 2017.

**REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION
SERVICES**

D. Payment Augmentation and Effective Date

1. The payment augmentation amount will be an add-on to the existing rate for FFS emergency air medical transportation and will be posted on the State Agency's rates web site for each applicable date of service period.
2. The State Agency's initial rates for FFS emergency air transportation services were last updated on July 1, 2012 and are effective for dates of service on or after that date. The rates for FFS emergency air transportation services are posted on the Medi-Cal Rates web site at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

TN 14-03142-001B

Supersedes

TN: 12-001BNone

Approval Date: _____

Effective Date: January 7, 2012 July 1, 2014

netic disorders. Pursuant to this authority, the Department promulgated section 6540, which establishes fees for such testing, into Title 17 of the California Code of Regulations.

Purpose of the \$7 Fee Increase: The Department now adopts an emergency amendment to section 6540 to increase one of the two fees established by this regulation. The \$155 fee in existing section 6540 is applicable when two or more constituents (called “markers”) of the mother’s blood are tested to determine the likelihood that her newborn will have a genetic disease such as Down’s Syndrome or a neural tube defect. This fee covers the testing of the alpha-fetoprotein blood marker, and up to 4 additional blood markers: Inhibin A, unconjugated estriol, human chorionic gonadotropin, and pregnancy-associated plasma protein A. This \$155 fee also covers certain diagnostic tests, such as amniocentesis or chorionic villus testing, if deemed by the Department to be medically necessary. If medically necessary, some kinds of ultrasound testing — but not including nuchal translucency testing — may also be covered by this fee.

The emergency amendment to section 6540 provides for a \$7 fee increase from \$155 to \$162. The purpose of this fee increase is to cover the increased costs of the Departmental administrative and operational functions required to maintain the Department’s programs for the testing of genetic diseases. Such functions include the printing of brochures and guides on genetic disease testing for patients and health-care providers, and the monitoring of testing facilities to ensure quality control. The Department’s authority to include such costs in the fee for testing for genetic disease is provided under section 124977 of the Code.

Authority: Sections 124977, 124996, 125000(h), 125055, 125070 and 131200, Health and Safety Code.

Reference: Sections 124996, 125000(b) and (f), 125001, 125050, 125060, 125065 and 131052, Health and Safety Code.

transportation services provided to Medi-Cal beneficiaries. The Department of Health Care Services (DHCS) proposes to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services, to implement Medi-Cal supplemental payments and rate augmentations for air medical transportation services, pursuant to the provisions of the Emergency Medical Air Transportation Act, or “EMATA”, (Assembly Bill (AB) 2173, Beall, Chapter 547, Statutes of 2010).

Effective January 1, 2011, the EMATA requires the county courts to levy and collect an additional \$4 penalty on statewide vehicle violations, with the exception of parking offenses, for the purposes of providing payment and/or rate augmentations for Medi-Cal air medical transportation services. Each county deposits its penalty collections into the EMATA Fund, a State special fund, upon receipt of the penalty payment. The penalty collections are available to DHCS to adjust payments and/or rates to Medi-Cal air medical transportation service providers.

The EMATA will be implemented using a two-phased approach. In the initial phase, DHCS will provide at least one supplemental payment in Fiscal Year (FY) 2011–12 for Medi-Cal air medical transportation services provided to Medi-Cal beneficiaries from October 1, 2011 through June 30, 2012. Upon federal approval of the SPA, the supplemental payment(s) will be made using monies available in the EMATA Fund. Payments are anticipated to be completed by September 30, 2012.

Effective July 1, 2012 and for each FY thereafter until January 1, 2018, the funds available in the EMATA Fund will be used by DHCS to provide for annual rate augmentations to air medical transportation rates. The annual rate augmentations will be provided for services provided in both the Medi-Cal Fee-for-Service and managed care programs.

This action will not impact the state General Fund.

GENERAL PUBLIC INTEREST

DEPARTMENT OF HEALTH CARE SERVICES

REIMBURSEMENTS FOR MEDI-CAL AIR MEDICAL TRANSPORTATION SERVICES PURSUANT TO THE EMERGENCY MEDICAL AIR TRANSPORTATION ACT

This notice provides information of public interest with respect to the supplemental payment and rate augmentations that are proposed for Medi-Cal air medical

PUBLIC REVIEW AND COMMENTS

The California statutes discussed above are available for public review at welfare offices in every county of the State. Written comments (or requests for copies of statutes and/or copies of the written comments) may be submitted within 45 days of the publication date of this notice to:

Linda Machado, Chief, Provider Rate Section
 Medi-Cal Benefits, Waiver Analysis, and Rates
 Division
 Department of Health Care Services; MS 4600
 P.O. Box 997417
 Sacramento, CA 95899-7417