



Jennifer Kent
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

SEP 29 2016

Ms. Henrietta Sam-Louie
Associate Regional IX 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

RE: California State Plan Amendment 16-020

Dear Ms. Henrietta Sam-Louie,

The Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 16-020 for Reimbursement to Specified Government-Operated Providers for Costs of Professional Services.

DHCS requests to update the relevant State Plan pages to reflect the current names of hospital participants, add language to account for any future hospital name changes, and add two Alameda Health System hospitals (Alameda Hospital and San Leandro Hospital) to the list of government-operated hospitals receiving supplemental reimbursement for uncompensated care costs of providing physician and non-physician practitioner professional services to Medi-Cal beneficiaries.

No tribal consultation was required for SPA 16-020.

Public notice was published on June 24, 2016.

If you have any questions, please contact Mr. John Mendoza, Chief of the Safety Net Financing Division, at (916) 552-9130, or by email at John.Mendoza@dhcs.ca.gov

Original Signed

Chief Deputy Director, Health Care Programs
State Medicaid Director
Department of Health Care Services

Ms. Henrietta Sam-Louie
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Enclosures

Cc: John Mendoza, Chief
Safety Net Financing Division
Department of Health Care Services
1501 Capitol Avenue, MS 4504
PO Box # 997436
Sacramento, CA 95899

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 6 — 0 2 0

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2016

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 433.51

7. FEDERAL BUDGET IMPACT

a. FFY 2016 \$ 1,245,842

b. FFY 2017 \$ 3,737,526

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, pages 53 - 54

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B, pages 53 - 54

10. SUBJECT OF AMENDMENT

Reimbursement to Specified Government-Operated Providers for Costs of Professional 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

Mari Cantwell 

14. TITLE
State Medicaid Director

15. DATE SUBMITTED

SEP 29 2016

16. RETURN TO

Department of Health Care Services
Attention: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
PO 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

4. Professional costs incurred by freestanding clinics that are not recognized as hospital outpatient departments on the 2552 and are reimbursable as clinic costs pursuant to TN 06-16 are not included in this protocol. Professional costs incurred at clinics that operate on the hospital's license under state licensing laws will be included under this segment of Attachment 4.19-B to the extent they are not reimbursable as clinic costs pursuant to TN 06-16. The physician office settings owned and operated by the UC Schools of Medicine are not considered freestanding clinics.
5. The supplemental payments determined under this segment of Attachment 4.19-B will be paid on a quarterly basis.

B. Eligible Providers

1. The physician and non-physician practitioner professional costs being addressed in this protocol are limited to professional costs incurred by the governmental hospitals listed below, including any successor or differently named hospital, as applicable, and their affiliated government physician practice groups (i.e., practice group that is owned and operated by the same government entity that owns and operates the hospital). These professional costs are reported on the designated hospitals' Medi-Cal 2552 cost report and, in the case of the University of California (UC) hospitals, the UC School of Medicine physician/non-physician practitioner cost report as approved by CMS.

Government-Operated Hospitals:

Alameda County Medical Center
 Alameda Hospital (DPH date July 1, 2016)
 Arrowhead Regional Medical Center
 Contra Costa Regional Medical Center
 Kern Medical Center
 Natividad Medical Center
 Riverside University Health System – Medical Center
 San Francisco General Hospital
 San Joaquin General Hospital
 San Leandro Hospital (DPH date July 1, 2016)
 San Mateo County General Hospital
 Santa Clara Valley Medical Center
 Tuolumne General Hospital (Closed June, 2007)
 Ventura County Medical Center

Los Angeles County (LA Co.) Hospitals:

LA Co. Harbor/UCLA Medical Center
 LA Co. Martin Luther King Jr./Drew Medical Center (Closed August, 2007)

TN No. __16-020__

Supersedes

Approval Date _____ Effective Date __July 1, 2016__

TN No. __05-023__

LA Co. Olive View Medical Center
LA Co. Rancho Los Amigos National Rehabilitation Center
LA Co. University of Southern California Medical Center

State Government-Operated University of California (UC) Hospitals:

UC Davis Medical Center
UC Irvine Medical Center
UC San Diego Medical Center
UC San Francisco Medical Center
UC Los Angeles Medical Center
Santa Monica UCLA Medical Center (aka – Santa Monica UCLA Medical Center
& Orthopedic Hospital)

C. Reimbursement Methodology

This interim supplemental payment will approximate the difference between the fee-for-service (FFS) payment and the allowable Medicaid costs related to the professional component of physician or non-physician practitioner services eligible for Federal financial participation. This computation of establishing the interim Medicaid supplemental payments must be performed on an annual basis and in a manner consistent with the instructions below.

1. Non-UC Provider Steps

- a. The professional component of physician costs are identified from each hospital's most recently filed Medi-Cal 2552 cost report Worksheet A-8-2, Column 4. These professional costs are:
1. limited to allowable and auditable physician compensations that have been incurred by the hospital;
 2. for the professional, direct patient care furnished by the hospital's physicians in all applicable sites of service, including sites that are not owned or operated by an affiliated government entity;
 3. identified as professional costs on Worksheet A-8-2, Column 4 of the cost report of the hospital claiming payment (or, for registry physicians only, Worksheet A-8, if the physician professional compensation cost is not reported by the hospital on Worksheet A-8-2 because the registry physicians are contracted solely for direct patient care activities (i.e., no administrative, teaching, research, or any other provider component or non-patient care activities))

TN No. ____16-020____

Supersedes

Approval Date_____ Effective Date__July 1, 2016__

TN No. ____05-023____

SPA Impact Form

State/Title/Plan Number:

CA / Reimbursement to Specified Government-Operated Providers for Costs of Professional Services / SPA 16-020

Federal Fiscal Impact:

FFY 2016 = \$1,246,000

FFY 2017 = \$3,738,000

Number of People Affected by Enhanced Coverage, Benefits or Retained

Eligibility: N/A

Number of Potential Newly Eligible People: N/A

or

Eligibility Simplification: No

Number of People Losing Medicaid Eligibility: N/A

Reduces Benefits: No

Provider Payment Increase: No

Delivery System Innovation: No

(Examples: adding new provider types to provide a covered service, managed care delivery systems or other similar type plans.)

Comments/Remarks:

SPA 16-020 proposes to update relevant State Plan pages to reflect current names of hospital participants, add language to account for future hospital name changes, and add two Alameda Health System Hospitals (Alameda Hospital and San Leandro Hospital) to the list of government-operated providers eligible to receive supplemental reimbursement for uncompensated costs of providing physician and non-physician practitioner professional services to Medi-Cal beneficiaries.

DHCS Contact:

Christie Schmalz

Christie.Schmalz@dhcs.ca.gov

916-552-8436

Date:

August 12, 2016