



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



EDMUND G. BROWN JR.  
GOVERNOR

9/30/2016

Ms. Henrietta Sam-Louie  
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

RE: California State Plan Amendment 16-022

Dear Ms. Sam-Louie:

The Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 16-022 for the Supplemental Reimbursement for Qualified Private Hospitals program.

The Centers for Medicare and Medicaid Services approved SPA 16-014 on July 19, 2016, with an effective date of May 24, 2016. SPA 16-022 is seeking to change the payment amounts in pages 9-10 of Section D (1) of Supplement 4 to Attachment 4.19-A of the State Plan. Alameda County has requested to reduce the Intergovernmental Transfer which funds the supplemental payment amount outlined in the previously approved SPA 16-014 for St. Rose Hospital in State Fiscal Years (SFYs) 2016-17 and 2017-18. The supplemental payment amounts for St. Rose Hospital are proposed to decrease from \$16 million to \$10 million total funds each fiscal year for SFYs 2016-17 and 2017-18.

The following SPA package includes the most recent Inpatient Hospital Access to Care report in addition to an analysis of the potential impact on access from the change in supplemental payments.

The request for public input on the impact to access was published on September 6, 2016, and has not yielded any responses to date.

No tribal consultation was required for SPA 16-022.

Public Notice published on June 24, 2016.

Ms. Henrietta Sam-Louie  
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Please contact Mr. John Mendoza, Chief, Safety Net Financing Division, at (916) 552-9130 or by e-mail at [John.Mendoza@dhcs.ca.gov](mailto:John.Mendoza@dhcs.ca.gov) if you have any questions.

Sincerely,

Original Signed

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

Enclosures

cc: John Mendoza, Chief  
Safety Net Financing Division  
Department of Health Care Services  
1501 Capitol Avenue, MS 4504  
Sacramento, CA 95814

Lindy Harrington  
Deputy Director  
Health Care Financing  
Department of Health Care Services  
1501 Capitol Avenue, MS 4050  
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Ryan Witz  
Assistant Deputy Director  
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Sacramento, CA 95814

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

1. TRANSMITTAL NUMBER

2. STATE

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

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

7. FEDERAL BUDGET IMPACT

a. FFY \_\_\_\_\_ \$ \_\_\_\_\_

b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

10. SUBJECT OF AMENDMENT

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

16. RETURN TO

13. TYPED NAME

14. TITLE

15. DATE SUBMITTED

**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

## SPA Impact Form

**State/Title/Plan Number:**

CA/Supplemental Reimbursement for Qualified Private Hospitals/SPA#16-022

**Federal Fiscal Impact:**

FY 2016 \$10,074,132

FY 2017 \$8,884,462

**Number of People Affected by Enhanced Coverage, Benefits or Retained**

**Eligibility:**   0  

**Number of Potential Newly Eligible People:**   0  

**or**

**Eligibility Simplification:** No

**Number of People Losing Medicaid Eligibility:**   0  

**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:**

The Private Hospital Supplemental Fund Program (PHSF) was established under Social Security Act (SSA) Section 1915 (b) waiver (and starting in 2005 under a SSA Section 1115(a) Medicaid Demonstration), granting the Department of Health Care Services (DHCS) its authority to make PHSF supplemental payments to hospitals participating in the Medi-Cal Selective Provider Contracting Program (SPCP). The SPCP ended on June 30, 2013 upon the implementation of the Diagnosis Related Group (DRG) reimbursement methodology for private hospitals.

CMS has approved a three-year SPA (16-014) for SFYs 2015-16, 2016-17, and 2017-18. DHCS is currently seeking to change the payment amounts in pages 9-10 of Section D (1) of Supplement 4 to Attachment 4.19-A of the State Plan. There is a reduction in impact to the total Federal Financial Participation.

**DHCS Contact:**

**Breanne Kennedy**

[Breanne.Kennedy@dhcs.ca.gov](mailto:Breanne.Kennedy@dhcs.ca.gov), 916-552-9045

**Date:**

September 16, 2016

For inquiries regarding this SPA , please  
contact-

[Nathaniel.Emery@dhcs.ca.gov](mailto:Nathaniel.Emery@dhcs.ca.gov)