

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST**

DECEMBER 12, 2016

**PROPOSED ONE-TIME, SUPPLEMENTAL PAYMENT FOR SPECIFIED SERVICE
CATEGORIES TO IMPLEMENT AB 97 RECOUPMENT FORGIVENESS**

This notice is to provide information of public interest with respect to a one-time, supplemental payment proposed for eligible providers within the following service categories: physician services provided to beneficiaries aged 21 years and older; clinic services provided to beneficiaries aged 21 years and older; medical transportation services (emergency and non-emergency); dental services; certain high-cost drugs used to treat serious conditions; and services rendered in intermediate care facilities for the developmentally disabled.

Pursuant to Assembly Bill (AB) 97 (Chapter 3, Statutes of 2011), the Department of Health Care Services (DHCS) obtained federal approval to reduce State Plan payments for specified services, effective June 1, 2011, or later. Certain federally approved payment reductions were not immediately implemented, and the State Plan was subsequently amended to exempt affected providers from prospective AB 97 reductions. During these periods when approved AB 97 reductions were in effect, these providers received payments in excess of amounts authorized in the State Plan. The 2014-15 Governor's Budget authorized DHCS to forgive retroactive recoupment of amounts associated with such overpayments.

If approved, the proposed State Plan Amendment (SPA # 17-006) would allow a one-time, supplemental payment to offset the overpayment amounts previously paid to affected providers. For each category of service, a supplemental payment pool would be established at an amount equal to the aggregate overpayments in that category. A provider would be eligible to participate only if the provider received an overpayment for a claim with date of service during an applicable AB 97 timeframe, and the provider is currently enrolled in the Medi-Cal program and submits a claim during the associated prospective claiming period. The supplement payment amount attributable to each eligible provider shall be equal to the amount the provider was overpaid during the prior AB 97 period.

The proposed SPA is estimated to increase aggregate expenditures, on a one-time basis, by \$519 million dollars. The estimated impact per service category is as follows:

- Physician services provided to beneficiaries aged 21 years and older: \$129 million;
- Clinic services provided to beneficiaries aged 21 years and older: \$48 million;
- Medical transportation services (emergency and non-emergency): \$33 million;
- Dental services: \$95 million;
- Certain high-cost drugs used to treat serious conditions: \$195 million; and

- Services rendered in intermediate care facilities for the developmentally disabled: \$19.3 million.

The proposed SPA is subject to approval by the federal Centers for Medicare & Medicaid Services.

PUBLIC REVIEW AND COMMENTS

A copy of SPA #17-006 will be published at http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pro_SPA.aspx once the SPA is available. If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of the SPA from the mailing address or email, below.

Any written comments may be sent to Department of Health Care Services, Fee-For-Service Rate Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899-7417, or may be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA #17-006 in the subject line or message. For a copy of submitted public comments to SPA #17-006, please send a request in writing to the address or e-mail inbox identified above.