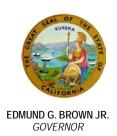


State of California—Health and Human Services Agency Department of Health Care Services



July 2, 2018

Ms. Hye Sun Lee
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 18-0029 EXTENSION OF SUPPLEMENTAL PAYMENT FOR INTERMEDIATE CARE FACILITIES FOR THE DEVELOPMENTALLY DISABLED

Dear Ms. Lee:

The Department of Health Care Services (DHCS) is submitting the enclosed SPA 18-0029 documents for your review and approval. SPA 18-0029 extends the supplemental payment program for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative (ICF/DD-H), and ICF/DD-Nursing (ICF/DD-N), for services rendered beginning August 1, 2018 through July 31, 2019.

As currently proposed in the California State Budget for 2018-19, a specified portion of the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as Prop. 56) revenue will be allocated to DHCS for use as the nonfederal share of health care expenditures in accordance with the annual state budget process for the 2018-19 state fiscal year.

This program provides a supplemental payment to ICF/DDs, ICF/DD-Hs, and ICF/DD-Ns that is calculated based on the difference between the frozen rate at the 2008-09 65th percentile increased by 3.7%, pursuant to ABX 2 1 (Chapter 3, Statutes of 2016), and the unfrozen 2017-18 rate.

The supplemental payment amounts, as shown in the chart below, are addition to the rate the facilities receive under the current reimbursement methodology, as long as the total Medi-Cal reimbursement does not exceed any applicable federal upper payment limit.

Facility Peer Group	LTC Accommodation Code (regular services)	Behold Accommodation Code	Supplemental Payment Per Diem
ICF/DD	41 (1-59 beds)	43	\$15.47
ICF/DD	41 (60+ beds)	43	\$0.00
ICF/DD-H	61 (4-6 beds)	63	\$10.75
ICF/DD-H	65 (7-15 beds)	68	\$0.00
ICF/DD-N	62 (4-6 beds)	64	\$12.47
ICF/DD-N	66 (7-15 beds)	69	\$22.30

DHCS will publish the public notice prior to the proposed effective date of August 1, 2018. Additionally, CMS approved DHCS' request for no tribal notice for this SPA.

If you have any questions or concerns regarding the proposed provisions, please contact Ms. Connie Florez, Chief of the Fee-For-Service Rates Development Division, at (916) 552-9600.

Sincerely,

ORIGINAL SIGNED

Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director

cc: Ms. Connie Florez, Chief Fee-For-Service Rates Development Division 1501 Capitol Avenue, MS 4600 Sacramento, CA 95814

Mr. Mark Wong
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Time Limited Supplemental Payment Program for Intermediate Care Facilities For The Developmentally Disabled, Including Habilitative And Nursing Facilities

A. Scope and Authority

This program provides supplemental payments to Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), Intermediate Care Facilities for the Developmentally Disabled-Habilitative (ICF/DD-H), and Intermediate Care Facilities for the Developmentally Disabled-Nursing (ICF/DD-N). The supplemental payments will be provided for dates of service beginning August 1, 2017 through July 31, 2019. State-owned ICF/DD facilities are excluded from the supplement payment.

B. Supplemental Payment Methodology

The supplemental payment program for ICF/DD, ICF/DD-H, and ICF/DD-N facilities will consist of the following:

- 1. Supplemental payments calculated based on the difference between the current rate methodology as described in Attachment 4.19-D, Section IV, paragraph M, which is frozen at the 2008-09 65th percentile increased by 3.7%, and the unfrozen 2017-18 65th percentile rate. The unfrozen 2017-18 65th percentile rate is the rate that would have been calculated in Attachment 4.19-D, Section IV, without the application of paragraphs K through M.
- 2. The total fee-for-service supplemental payment amount for each facility will be calculated based on the supplemental payment peer group per diem differential, as described in B 1., multiplied by the facility's total Medi-Cal fee-for-service days claimed for dates of service between August 1, 2017 through July 31, 2019. The resulting supplemental payment amounts are as reflected in the chart below. Facilities in peer groups in which the unfrozen 2017-18 65th percentile rate is lower than the current reimbursement rate will not receive the supplemental payment.

Facility Peer Group	LTC Accommodation Code (regular services)	Behold Accommodation Code	Supplemental Payment Per Diem
ICF/DD	41 (1-59 beds)	43	\$15.47
ICF/DD	41 (60+ beds)	43	\$0.00
ICF/DD-			
Н	61 (4-6 beds)	63	\$10.75
ICF/DD-			
Н	65 (7-15 beds)	68	\$0.00
ICF/DD-			
N	62 (4-6 beds)	64	\$12.47
ICF/DD-			
N	66 (7-15 beds)	69	\$22.30

TN 18-0029 Supersedes TN 17-028

Approval Date: Effective Date: 8/1/2018

- 3. The supplemental payments will be paid concurrently with the reimbursement rates the facilities receive under the current reimbursement methodology, as described in State Plan Amendment 4.19-D. Thus, the total reimbursement amount that an eligible facility will receive for services rendered between August 1, 2017 through July 31, 2019, is the sum of the facility's reimbursement rate under the current reimbursement methodology and the supplemental payment.
- 4. The total Medi-Cal reimbursement shall not exceed any applicable federal upper payment limit. If the supplemental payments for eligible ICF/DD; ICF/DD-H; and ICF/DD-N facilities, as computed above, result in total Medi-Cal payments that exceed the federal upper payment limit for the time period beginning August 1, 2017 through July 31, 2019, each provider's total supplemental payment must be reduced pro-rata so that total payments would be equal to the amount available in the federal upper payment limit.

TN 18-0029 Supersedes TN 17-028

Approval Date: _____ Effective Date: 8/1/2018