DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services

Region IX
Division of Medicaid & Children's Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

FEB 28 2012

Toby Douglas, Director
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Enclosed is an approved copy of California State Plan Amendment (SPA) 11-037a. SPA 11-037 was originally submitted to my office on December 16, 2011 to address the issues related to chronic dialysis and heroin detoxification that were initially identified in the companion letter issued with the approval of SPA 11-014. On February 22, 2012, the State requested that SPA 11-037 be split such that 11-037a amends the State Plan to delay the effective date of the elimination of the coverage of Adult Day Health Care (ADHC) services to April 1, 2012. The elimination was previously approved effective September 1, 2011 via SPA 11-014, December 1, 2011 via SPA 11-026, and March 1, 2012 via SPA 11-035.

The effective date of this SPA is April 1, 2012. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Limitations on Attachment 3.1-A, page 19
- Limitations on Attachment 3.1-B, page 19
- Attachment 4.19B, page 6C
- Attachment 4.19-B, page 6D
- Supplement 6 to Attachment 4.19-B, page 2

The approval of this State Plan Amendment relates solely to the availability of Federal Financial Participation (FFP) for Medicaid covered services. This action does not in any way address the State's independent obligations under the Americans with Disabilities Act or the Supreme Court's Olmstead decision.

CMS will continue to work with you on SPA 11-037b, which addresses the issues related to chronic dialysis and heroin detoxification that were initially identified in the companion letter issued with the approval of SPA 11-014.

If you have any questions, please contact Kristin Dillon by phone at (415) 744-3579 or by email at Kristin.Dillon@cms.hhs.gov.

Sincerely,

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure

cc: Jean Close, Centers for Medicare and Medicaid Services
Elizabeth Garbarczyk, Centers for Medicare and Medicaid Services
Stephen Halley, California Department of Health Care Services
Christopher Thompson, Centers for Medicare and Medicaid Service
Kathyryn Waje, California Department of Health Care Services

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **11-037a**

2. STATE: California

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
April 1, 2012

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN X AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 C.F.R. Part 440

7. FEDERAL BUDGET IMPACT:
FFY 2012 $16,137,000 (increase)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

- Limitations on Attachment 3.1-A, page 19
- Limitations on Attachment 3.1-B, page 19
- Attachment 4.19-B, page 6C
- Attachment 4.19-B, page 6D
- Supplement 6 Attachment 4.19-B, page 2

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

- Limitations on Attachment 3.1-A, page 19
- Limitations on Attachment 3.1-B, page 19
- Attachment 4.19-B, page 6C
- Attachment 4.19-B, page 6D
- Supplement 6 Attachment 4.19-B, page 2

10. SUBJECT OF AMENDMENT:

Amended effective date for the elimination of Adult Day Health Care (pursuant to SPA 11-014, SPA 11-026, and SPA 11-035).

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.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Toby Douglas

14. TITLE:
Director

15. DATE SUBMITTED: 2/22/12

16. RETURN TO:

Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.3.26
M.S. 4506
P.O. Box 997417
Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 2/22/12

18. DATE APPROVED: 2/28/12

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 4/1/12

20. SIGNATURE OF REGIONAL OFFICIAL: Acting

21. TYPED NAME: Gloria Nagle

22. TITLE: Associate Regional Administrator

23. REMARKS:

FORM HCFA-179 (07-92)

(Note: This chart is an overview only.)

	Type of Service	Program Description**	Prior Authorization or Other Requirements*
13d.1	(Intentionally left blank)	***	
13d.2	Chronic dialysis services	Covered as an outpatient services when provided by renal dialysis centers or community hemodialysis units. Includes physician services, medical supplies, equipment, drugs, and laboratory tests.	Prior authorization is required for the facility but not the physician. Initial authorization may be granted up to three months. Reauthorization may be granted up to 12 months.
		Home dialysis and continuous ambulatory peritoneal dialysis are covered.	Inpatient hospitalization for patients undergoing dialysis requires prior authorization.
13d.3	Outpatient heroin detoxification services	Daily treatment is covered through the 21st day.	Prior authorization is required. Additional charges may be billed for services medically necessary to diagnose and treat diseases which the physician believes are concurrent with, but not part of, the outpatient heroin detoxification services.
13d.4	Rehabilitative mental health services for seriously emotionally disturbed children	See 4b EPSDT program coverage.	Medical necessity is the only limitation.

* Prior authorization is not required for emergency service.
** Coverage is limited to medically necessary services.
*** The elimination of Adult Day Health Care previously scheduled to take place on 3/1/12 (approved via SPA 11-035) has been postponed and will be effective as of 4/1/2012.

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midwife, clinical psychologist, licensed clinical social worker, or visiting nurse, hereafter referred to as a "health professional," to the extent the services are reimbursable as covered benefits under C.1.(a). For purposes of this subparagraph 2(a), "physician" includes the following:

(i) A doctor of medicine or osteopathy licensed by the State to practice medicine and/or surgery and who is acting within the scope of his/her license.

(ii) A doctor of podiatry licensed by the State to practice podiatric medicine and who is acting within the scope of his/her license.

(iii) A doctor of optometry licensed by the State to practice optometry and who is acting within the scope of his/her license.

(iv) A chiropractor licensed by the State in the practice of chiropractic and who is acting within the scope of his/her license.

(v) A doctor of dental surgery (dentist) licensed by the State to practice dentistry and who is acting within the scope of his/her license.

Inclusion of a professional category within the term "physician" is for the purpose of defining the professionals whose services are reimbursable on a per visit basis, and not for the purpose of defining the types of services that these professionals may render during a visit (subject to the appropriate license).

(b) Comprehensive perinatal services when provided by a comprehensive perinatal services practitioner.

***The elimination of Adult Day Health Care previously scheduled to take place on 3/1/12 (approved via SPA 11-035) has been postponed and will be effective as of 4/1/2012.

3. Encounters with more than one health professional and multiple encounters with the same health professional that take place on the same day and at a single location constitute a single visit. More than one visit may be counted on the same day (which may be at a different location) in either of the following situations:

   (a) When the clinic patient, after the first visit, suffers illness or injury requiring another diagnosis or treatment, two visits may be counted.

   (b) The clinic patient has a face-to-face encounter with a dentist and then also has a face-to-face encounter with any one of the following providers: physician (as defined in subparagraphs C.2(a)(i)-(iv)), physician assistant, nurse practitioner, certified nurse midwife, clinical psychologist, licensed clinical social worker, visiting nurse, or a comprehensive perinatal services practitioner.

D. Prospective Payment Reimbursement

An FQHC or RHC that does not elect the alternative payment reimbursement methodology under Section E will receive reimbursement under the following prospective payment reimbursement methodology provisions:

1. On July 1, 2001, DHS implemented a prospective payment reimbursement methodology on a phased-in basis. Each FQHC or RHC receives payment in an amount calculated using the methodology described under paragraphs D.2 and D.4 effective the first day of the fiscal year on or after July 1, 2001. For the period January 1, 2001, until the payment methodology described in this Section D became effective for a particular facility, each FQHC or RHC was paid in accordance with Section H.

2. (a) Beginning on January 1, 2001, the prospective payment reimbursement rate for an FQHC or RHC was equal to 100 percent of the average reported cost-based reimbursement rate per visit for fiscal years 1999 and 2000 for the FQHC or the RHC, as determined in accordance with cost reimbursement principles for allowable costs explained in 42 CFR Part 413, as well as, Generally Accepted Accounting Principles. For each FQHC or

REIMBURSEMENT FOR INDIAN HEALTH SERVICES
AND TRIBAL 638 HEALTH FACILITIES

A. Below is a list of health professionals that may bill under the IHS all-inclusive rate:

- Physician
- Physician Assistant
- Nurse Practitioner
- Nurse Midwife
- Clinical Psychologist, when provided to beneficiaries identified under Item C below.
- Clinical Social Worker, when provided to beneficiaries identified under Item C below.
- Visiting Nurse if services are provided in the Tribal facilities
- Comprehensive Perinatal Services Program (CPSP): Registered Nurse, Dietitian, Health Educator, Childbirth Educator, Licensed Vocational Nurse, and Comprehensive Perinatal Health Worker. A September17, 1985 HCFA letter allows these services as a physician or clinic service.
- Under the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), the services of Licensed Marriage, Family and Child Counselors are available as 'other health visit' to persons under 21 years of age, as a result of an EPSDT screening which identifies the need for a service which is necessary to correct or ameliorate a mental illness or condition.

B. Except for the services specified under C below, the following other ambulatory services, but not limited to, provided by health professional can be billed under the IHS all-inclusive rate.

- Medical and surgical services provided by a doctor of dental medicine or dental surgery, which if provided by a physician would be considered physician services
- Physical Therapy
- Occupational Therapy
- Drug and Alcohol visits (Subject to Medi-Cal provider participation requirements)
- Telemedicine
- Optometry (Eyeglasses and other eye appliances are restricted to beneficiaries identified under Item C below)

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C. Dental service, acupuncture, audiology, chiropractic, eyeglasses and other eye appliances, podiatry, psychology and speech therapy are covered benefits under this state plan only for the following beneficiaries:

1. Pregnant women if these optional benefits are part of their pregnancy-related services or for services to treat a condition that might complicate the pregnancy.
2. Individual who is an eligible beneficiary under the Early and Periodic Screening Diagnosis and Treatment Program.