DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

APR 0 5 2013

Toby Douglas
Director, Department of Health Care Services
1501 Capitol Ave, MS 0000
P.O. Box 997413
Sacramento, CA
99859-7413

Dear Mr. Douglas:

This letter is to inform you that the Centers for Medicare & Medicaid Services is granting your request to amend California's section 1115(a) demonstration (11-W-00193/9), entitled the California Bridge to Reform Demonstration. Approval of the amendment to this demonstration is under the authority of section 1115(a) of the Social Security Act and is effective from the date of this letter through December 31, 2013.

This amendment provides that the Department of Health Care Services (DHCS) shall make supplemental payments to support participating Indian Health Service (IHS) facilities, including participating tribal facilities, to account for the burden of: 1) uncompensated primary care services furnished to uninsured individuals with incomes up to 133 percent of the Federal Poverty Line (FPL) who are not enrolled in a low-income health program (LIHP); and 2) uncompensated services that had been covered, but are no longer covered, under Medi-Cal as of January 1, 2009 furnished to individuals enrolled in the Medi-Cal program and uninsured individuals with incomes up to 133 percent of the FPL who are not enrolled in a LIHP. CMS shares the state's goal of maintaining the financial viability of IHS and tribal facilities to ensure the continued availability of their health care service delivery for current and future Medicaid beneficiaries. With this authority, the state will be able to test the effects of the payments on the financial viability of IHS and 638 providers and determine if Medicaid funding under the demonstration results in an increase in the volume of primary care services delivered to Medicaid beneficiaries and an increase in the capacity to deliver such services by participating providers.

The CMS approval of the California Bridge to Reform demonstration amendment is conditioned on continued compliance with the enclosed set of Special Terms and Conditions defining the nature, character, and extent of anticipated federal involvement in the project. The award is subject to receiving your written acknowledgement of the award and acceptance of the STCs within 30 days of the date of this letter.

A copy of the revised STCs and the expenditure authorities is enclosed. The waivers for this demonstration are unchanged by this amendment, and remain in force.

I appreciate the work that you and your staff have done on this amendment as well as the partnership of the California tribes and tribal health program community. Your project officer for this demonstration is Mr. Rob Nelb. He is available to answer any questions concerning your section 1115 demonstration and this amendment. Mr. Nelb's contact information is:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop S2-01-16
7500 Security Boulevard.
Baltimore, MD 21244-1850
Telephone: (410) 786-1055
Facsimile: (410) 786-5882
E-mail: Rob.Nelb@cms.hhs.gov

Official communications regarding official matters should be sent simultaneously to Mr. Nelb and Ms. Gloria Nagle, Associate Regional Administrator for the Division of Medicaid and Children's Health in our San Francisco Regional Office. Ms. Nagle's contact information is as follows:

Ms. Gloria Nagle
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

If you have any questions regarding this approval, please contact Ms. Jen Ryan, Acting Director, Children and Adults Health Programs Group, Center for Medicaid and CHIP Services at (410) 786-5647.

Sincerely,

Cindy Mann
Director