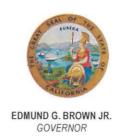


State of California—Health and Human Services Agency Department of Health Care Services



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 16-015

Dear Ms. Sam-Louie,

The Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) for the Supplemental Reimbursement for Inpatient Hospital Services.

CMS has approved SPA 10-026 on October 20, 2011 with an effective date for January 1, 2011. DHCS is seeking to amend the supplemental payment program currently located in Pages 1 – 6 of Supplement 2 to Attachment 4.19-A to add page 6.a to the State Plan to allow an interim payment process and reconciliation in the event that an NDPH inpatient upper payment limit demonstration is not approved by April 1st of each state fiscal year. There is no anticipated impact to the total Federal Financial Participation for the stated time frames.

No tribal consultation was required for SPA 16-015.

Public Notice was published on May 13, 2016.

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

ORIGINAL SIGNED

Mari Cantwell Chief Deputy Director, Health Care Programs State Medicaid Director Department of Health Care Services Ms. Henrietta Sam-Louie Page 2

Enclosures

Cc:

John Mendoza, Chief Safety Net Financing Division Department of Health Care Services 1501 Capitol Avenue, MS 4504 PO Box # 997436

Sacramento, CA 95899

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: <u>CALIFORNIA</u>

SUPPLEMENTAL REIMBURSEMENT FOR INPATIENT HOSPITAL SERVICES

Interim Supplemental Payments:

In the event that the UPL is not approved by April 1st of the current SFY, DHCS will calculate an interim supplemental payment to be paid to the current SFY's eligible hospitals pursuant to Article 5.17 of the Welfare and Institutions Code (commencing with section 14165.55) as the law was in effect on May 14, 2016.

The interim supplemental payment will be calculated using 80 percent of the most recent prior SFY's approved UPL room. Interim supplemental payments will be processed and paid in the fourth quarter of the SFY, or soon thereafter as practicable.

Once the current SFY's UPL is approved by CMS, the interim supplemental payments will be reconciled to the final approved UPL room amount.

- i. If at the end of the reconciliation process, it is determined that the hospital received an overpayment, the overpayment will be collected from the hospital.
- ii. If at the end of the reconciliation process, it is determined that the hospital received an underpayment, the final calculated payment amount due to the hospital will be processed.

TN No. <u>16-015</u>
Supersedes: Approval Date_____ Effective Date: <u>May 14, 2016</u>

Non Designated Public Hospital Intergovernmental Transfer Program SPA 16-015 Federal Impact

SFY	IGT	FFP	Total Funds
2015-16	\$53,463,867	\$53,463,867	\$106,927,735
2016-17	\$61,552,950	\$61,552,950	\$123,105,901
2017-18	\$70,865,912	\$70,865,912	\$141,731,824

FFP Distributed By SFY

FFP per SFY Qtr	Q1 (July -Sep)	Q2 (Oct - Dec)	Q3 (Jan - Mar)	Q4 (Apr - Jun)	Total Per SFY
2015-16	\$13,365,967	\$13,365,967	\$13,365,967	\$13,365,967	\$53,463,867
2016-17	\$15,388,238	\$15,388,238	\$15,388,238	\$15,388,238	\$61,552,950
2017-18	\$17,716,478	\$17,716,478	\$17,716,478	\$17,716,478	\$70,865,912

FFP Distributed By FFY

FFP per FFY Qtr	Q1 (Oct -Dec)	Q2 (Jan - Mar)	Q3 (Apr - Jun)	Q4 (Jul -Sep)	Total Per FFY
2015-16	\$13,365,967	\$13,365,967	\$13,365,967	\$15,388,238	\$55,486,138
2016-17	\$15,388,238	\$15,388,238	\$15,388,238	\$17,716,478	\$63,881,191

Total \$119,367,329

SPA Impact Form

State/Title/Plan Number:

CA/Supplemental Reimbursement for Inpatient Hospital Services/SPA#16-015

Federal Fiscal Impact:

FY 2016 \$55,486,138 FY 2017 \$63,881,191

Number of People Affected by Enhanced Coverage, Benefits or Retained

Eligibility: <u>0</u>

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:

Assembly Bill 113 (Monning, Chapter 20, Statutes of 2011); Welfare and Institutions Code Section 14165.57 (l)(1) requires the Department of Health Care Services (DHCS) to provide supplemental reimbursement for Medicaid fee-for-service inpatient hospital services on an annual basis. DHCS is required to establish, implement, and maintain the Nondesignated Public Hospital Intergovernmental Transfer Program (NDPH-IGT).

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DHCS Contact:

Heather Everhart

heather.everhart@dhcs.ca.gov, 916-324-0782

Date:

May 11, 2016