



DEC 20 2013

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

RE: California State Plan Amendment 13-034

Dear Mr. Douglas:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 13-034. This amendment exempts distinct part nursing facility (Level B) located in rural and frontier areas from the current rate reduction effective September 1, 2013, and exempts all other distinct part nursing facility (Level B) from the current rate reduction effective October 1, 2013.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 13-034 is approved effective September 1, 2013. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Mark Wong at 415-744-3561.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Mann", is written over the typed name.

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 13-034	2. STATE California
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 September 1, 2013	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: AB 97 42 CFR 447 Subpart C		7. FEDERAL BUDGET IMPACT: a. FFY 2012-2013 \$ 1,028,689 (1 month) b. FFY 2013-2014 65,897,055 \$ 12,345,371 (12 months)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Pages 15.4a, 15.4a.1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-D Page 15.4a	
10. SUBJECT OF AMENDMENT: Exemption to designated Rural or Frontier Distinct Part Nursing Facilities – Level B from AB 97 10% reduction and rate freeze.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: The Governor's Office does not wish to review State Plan Amendments <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: ORIGINAL COPY SIGNED BY:		16. RETURN TO: Department of Health Care Services Attn: State Plan Coordinator 1501 Capitol Avenue, Suite 71.326 P.O. Box 997417 Sacramento, CA 95899-7417	
13. TYPED NAME: Toby Douglas			
14. TITLE: Director			
15. DATE SUBMITTED: 9/26/2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: DEC 20 2013	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP 01 2013		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE:	
23. REMARKS:			

2. Skilled Nursing Facilities that are Distinct parts of General Acute Care Hospitals – Level B (DP/NF-B)

Distinct Part Nursing Facilities Level B		
Period	Reduction	With Respect to:
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09	
03/01/11 - 05/31/11	5%	Prospective rate for 2008/09
06/01/11 - Present	10%	Prospective rate for 2008/09

- a. A Distinct Part Nursing Facility – Level B (DP/NF-B) is exempt from the reductions set forth in this Paragraph 2 and in subdivision (j) of Section 14105.192 of the California Welfare and Institutions (W&I) Code as in effect on June 28, 2011, on and after February 18, 2012, if the facility provides services to patients, 90 percent or more of whom are under 21 years of age at the time services are rendered.

For each State Plan Rate Year (as described in paragraph E of Section I at page 3 of this Attachment), the State will review the most recent Audits and Investigations Audit Report, used for rate setting, for total Pediatric Bed Days to identify those facilities that met the criteria stated above. If a facility is determined to meet the criteria, it will be exempt from the rate reduction for the given rate year.

- b. On or after September 1, 2013, a DP/NF-B, designated as rural or frontier, is exempt from the reductions set forth in this Paragraph 2 and subdivision (j) of Section 14105.192 of the W&I Code as in effect on June 28, 2011.

For purposes of this exemption, a provider is designated as rural if the provider has been determined to be rural by the Office of Statewide Health Planning & Development (OSHPD) using Hospital Annual Utilization Data (HAUD) and identified rural Medical Study Services Area (MSSA) data. A provider is designated as frontier if the provider has been determined to be frontier by OSHPD using HAUD and identified frontier MSSA data.

TN. No. 13-034
Supersedes
TN. No. 12-012

Approval Date DEC 20 2013

Effective Date September 1, 2013

c. On or after October 1, 2013, every DPNF-B, in addition to the rural and frontier DP/NF-Bs indicated above, is exempt from the reductions set forth in this Paragraph 2 and subdivision (j) of Section 14105.192 of the W&I Code as in effect on June 28, 2011.

3. Subacute Care Units that are, or are parts of, Distinct Parts of General Acute Care Hospitals (DP/NF Subacute)

Distinct Part Adult Subacute		
Period	Reduction	With Respect to:
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09	

TN. No. 13-034

Supersedes

TN. No. N/A

Approval Date DEC 20 2013

Effective Date October 1, 2013