



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 2, 2018

Ms. Hye Sun Lee
Acting 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 18-0037: TERMINATE THE REIMBURSEMENT REDUCTION FOR HOME HEALTH SERVICES & PROVIDE A RATE INCREASE TO HOME HEALTH AGENCY & PEDIATRIC DAY HEALTH CARE SERVICES

Dear Ms. Lee:

The California Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 18-0037 documents for your review and approval. In order to avoid access to care issues for Home Health Agency (HHA) and Pediatric Day Health Care (PDHC) services DHCS is proposing to terminate the one percent reimbursement reduction for HHA services and increase reimbursement rates by 50 percent for the HHA and PDHC services, effective July 1, 2018. The affected codes and increased fee for service (FFS) rates are identified below.

Procedure Code	Proposed FFS Rate	Procedure Code	Proposed FFS Rate
Z5804	\$47.91	Z5834	\$44.12
Z5805	\$52.70	Z5835	\$48.53
Z5806	\$36.63	Z5836	\$68.15
Z5807	\$40.29	Z5838	\$28.35
Z5832	\$60.86	Z5840	\$53.66
Z5833	\$66.95	Z5868	\$44.12

Ms. Hye Sun Lee
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The following SPA documents are enclosed for your review and approval:

- HCFA 179 - Transmittal and Notice of Approval of State Plan Material
- Attachment 4.19-B, pages 3.2 - 3.4 & 20a (clean & redline version)

A Notice of Public Interest regarding the proposed termination of the reimbursement reduction and the rate increase was published on June 29, 2018 on the DHCS web page. On June 15, 2018, CMS informed DHCS that a tribal notice was not required for SPA 18-0037.

If you have any questions or need additional information, please contact Ms. Connie Florez, Chief, Fee-For-Service Rates Development Division, at (916) 552-9600.

ORIGINAL SIGNED

Enclosures

cc: Ms. Connie Florez, Chief
Fee-For-Service Rates Development Division
1501 Capitol Avenue, Suite 71.5195, MS 4600
Sacramento, CA 95814

Ms. Cheryl Young
Division of Medicaid & 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 18-0037	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 July 1, 2018	
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: Budget Act of 2018		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2017 \$15,899,400	
		b. FFY 2018 \$47,698,200	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 3.2-3.4 Attachment 4.19-B, page 20a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, page 3.2-3.4(TN: 08-009B1) Attachment 4.19-B, page 20a (TN: 05-026)	
10. SUBJECT OF AMENDMENT: Ends 1% reimbursement reduction for Home Health Agency (HHA) services and provides a rate increase for HHA and Pediatric Day Health Care services, effective July 1, 2018.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED:	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		The Governor's Office does not	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		wish to review the State Plan Amendment.	
ORIGINAL SIGNED		16. RETURN TO:	
State Medicaid Director		Department of Health Care Services	
15. DATE SUBMITTED: July 2, 2018		Attn: State Plan Coordinator	
		1501 Capitol Avenue, Suite 71.326	
		P.O. Box 997417	
		Sacramento, CA 95899-7417	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: California

- (8) For dates of service on or after March 1, 2009, reimbursement for the following outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B are reduced by one percent:
- Any and all services provided and billed by Physicians and Clinics to beneficiaries less than age 21, as described in Attachment 3.1-A, sections 5a and 9.
 - Home health services, as described in Attachment 3.1-A, section 7 (refer to rates on page 20a in this Attachment).
 - For dates of service on or after July 1, 2018, the one percent reduction for home health services, as described in Attachment 3.1-A, section 7, is terminated and no longer applicable.
- (9) For dates of service on or after March 1, 2009, through and including May 31, 2011, reimbursement for outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B will be reduced by one percent. Providers and services subject to this reduction include:
- a. Any and all services provided and billed by Physicians and Clinics to beneficiaries aged 21 and older, as described in Attachment 3.1-A. sections 5a and 9.
 - b. Medical transportation (emergency and nonemergency), as described in Attachment 3.1-A, section 24a, and in Attachment 3.1-B, section 23a.
 - c. Services provided and billed by Optometrists, as described in Attachment 3.1-A, section 6b.
 - d. Services provided and billed by Dentists, as described in Attachment 3.1-A, section 10.
 - e. Providers and services included in Supplement 15 of this Attachment.
- (10) For dates of service on or after March 1, 2009, through and including April 5, 2009, and dates of service on or after January 1, 2011, through and including April 12, 2011, reimbursement for outpatient hospital services set forth in Attachment 3.1-A, section 2a, rendered in and billed by a hospital outpatient department, described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B, are reduced by one percent.

Reimbursement Rates for Home Health Agency and Pediatric Day Health Care Services

The State-developed fee schedule rates are the same for both public and private providers of Home Health Agency (HHA) and Pediatric Day Health Care (PDHC) services. The rates in effect on June 30, 2018 for HHA and PDHC services will be increased by 50 percent, effective July 1, 2018, as shown in the table below. This paragraph supersedes any prior provisions concerning reimbursement for HHA and/or PDHC services in the State Plan. The fee schedule and any annual or periodic adjustments to the fee schedule is published in California’s Medi-Cal Inpatient/Outpatient Provider Manual at: www.medi-cal.ca.gov

Procedure Code	Medi-Cal Rate Effective July 1, 2018	Procedure Code	Medi-Cal Rate Effective July 1, 2018
Z5804	\$47.91	Z5834	\$44.12
Z5805	\$52.70	Z5835	\$48.53
Z5806	\$36.63	Z5836	\$68.15
Z5807	\$40.29	Z5838	\$28.35
Z5832	\$60.86	Z5840	\$53.66
Z5833	\$66.95	Z5868	\$44.12

TN No. 18-0037
Supercedes
TN No. 05 026

Approval Date _____

Effective Date July 1, 2018