DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

NOV 0 5 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) 12-001A. SPA 12-001 was submitted to my office on February 15, 2012 to authorize supplemental payments for emergency air medical transportation providers. A Request for Additional Information (RAI) was issued on May 15, 2012. In the State's August 7th response to the RAI, the State requested that the SPA be split. SPA 12-001A implements a payment methodology to provide supplemental payments for dates of service between January 7, 2012 and June 30, 2012. The State intends to disburse the remaining pool balance through a rate adjustment for services on or after July 1, 2012 via SPA 12-001B, which is still under review.

The effective date of this SPA is January 7. 2012. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Supplement 16 to Attachment 4.19-B. pages 1-3

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,

for

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

Enclosure

cc: John Mendoza, California Department of Health Care Services
Christopher Thompson, Centers for Medicare and Medicaid Services
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: **12-001A**

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
~~January 6, 2012~~ January 7, 2012

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

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

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

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447, Subpart F

7. FEDERAL BUDGET IMPACT:
a. FFY ~~11~~-12 ~~$4,938,389~~ $0
b. FFY ~~12~~-13 ~~-$3,119,388~~ $6,113,068

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 16 to Attachment 4.19-B Pages ~~1-4~~ 1-3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: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

10. SUBJECT OF AMENDMENT:
Reimbursement for Emergency Air Medical Transportation Services

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: 2/15/12

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 2/15/12

18. DATE APPROVED: NOV 0 5 2012

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1/7/12

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Gloria Nagle

22. TITLE: Associate Regional Administrator

23. REMARKS:
Pen and Ink changes confirmed via email (10/12/12 and 10/17/12).

FORM HCFA-179 (07-92)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

REIMBURSEMENT FOR EMERGENCY AIR MEDICAL TRANSPORTATION SERVICES

A. Amendment Scope and Authority

This amendment provides the authority to implement a payment methodology to provide for supplemental payments to eligible Medi-Cal air medical transportation providers that provide Fee-for-Service (FFS) emergency air medical transportation services for the dates of service period January 7, 2012 - June 30, 2012.

1. A first supplemental payment will be made no later than, November 30, 2012, for emergency air medical transportation services provided for the dates of service period January 7, 2012 – March 31, 2012.

2. A second supplemental payment will be made no later than, December 31, 2012, for emergency air medical transportation services provided for dates of service period April 1, 2012 – June 30, 2012.

B. Eligible Medical Transportation Providers

1. Medical transportation providers eligible for the supplemental payment under this amendment are air medical transportation providers that meet the following conditions:

(a) Is actively enrolled as a Medi-Cal air medical transportation provider.

(b) Operates an aircraft that meets the definition of an "Air Ambulance" as defined in Section 100280 in Title 22 of the California Code of Regulations (CCR) which was implemented April 28, 1988.

(c) Is certified by the Federal Aviation Agency (FAA) to use their aircraft for purpose of being an air medical transportation provider.

C. Definitions

1. "Emergency air medical transportation services" means services that are defined in Section 51323(c) of Title 22 of the CCR.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

D. Supplemental Payment Methodology

1. Air medical transportation providers will be paid two (2) supplemental payments for emergency air medical transportation services as set forth in this section. The supplemental payment amounts will be in addition to any other amounts payable to Medi-Cal air medical transportation providers with respect to those services and will not affect any other payments to air medical transportation providers. The total payment of base payment and supplemental payment should not exceed a provider's usual and customary rates charged to the general public.

2. The supplemental payments will only be paid for Medi-Cal emergency air medical transportation services provided in the Medi-Cal FFS program.

3. The supplemental payments will be based on a total pool amount of $12,226,136 and divided among the total eligible air medical transportation providers that have submitted claims and received payment for the dates of service period January 7, 2012 to June 30, 2012. The calculations will be based upon the type of service and amount of services rendered and claimed on a per transport basis. The remaining pool balance after the second supplemental payment distribution will be disbursed through a rate adjustment for services on or after July 1, 2012.

4. (a) The first supplemental payment will be paid by November 30, 2012, and will be based on 50% of the total pool amount referenced in Section D.3. above.

(b) The first supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning January 7, 2012 – March 31, 2012.

(c) The supplemental payment for each emergency air medical transportation service will be calculated by multiplying the respective base rate for each service by the adjustment factor.

(i) Base rates for FFS emergency air medical transportation services are the State Agency's rates per procedure code as posted on the Medi-Cal Rates web site:
http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp

(ii) The current Medi-Cal costs of providing air medical transportation services will be the sum of all eligible emergency air medical transportation costs calculated by multiplying the respective Medi-Cal base rate for each

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

eligible emergency air medical transportation service in 4(c)(i) and the number of total paid claims for the dates of service period in 4(b).

(iii) The adjustment factor is the ratio of the pool amount and the total cost of providing air medical transportation services and will be calculated by dividing the first supplemental payment pool amount in 4(a) by the current Medi-Cal costs in 4(c)(ii).

5. (a) The second supplemental payment will be paid by December 31, 2012, and will be based on 50% of the pool amount referenced in Section D.3. above.

   (b) The second supplemental payment will apply to FFS Medi-Cal emergency air transportation services paid for dates of service beginning April 1, 2012 to June 30, 2012.

   (c) The same methodology as described in Section D.4. of this Supplement 16 to Attachment 4.19B will be used to calculate the second supplemental payment amount for emergency air medical transportation services for dates of service period in 5(b).

ENCLOSURE

Revised Pages for:

CALIFORNIA MEDICAID STATE PLAN

Under Transmittal of

STATE PLAN AMENDMENT (SPA)

12-001A*

All new pages will have this SPA* number identified as the new TN No., so it will not be repeated for each new insert pages.

Remove Page(s)	Insert Page (s)
None	Supplement 16 to Attachment 4.19-B, pages 1-3