

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: JULY 29, 2021**

**PROPOSED STATE PLAN AMENDMENT TO CHANGE THE REIMBURSEMENT
METHODOLOGY FOR FREESTANDING PEDIATRIC SUBACUTE FACILITIES**

This notice is to provide information of public interest about a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). DHCS plans to submit proposed SPA 21-0059 to change the reimbursement methodology for Freestanding Pediatric Subacute (FS/PSA) facilities, effective August 1, 2021.

ABX4 5 (Chapter 5, Statutes of 2009), effective for dates of service on or after August 1, 2009, froze FS/PSA rates at the 2008-09 rate year level, plus the cost of complying with new state or federal mandates.

AB 133 (Chapter 143, Statutes of 2021) added Section 14105.194 to the Welfare and Institutions Code, lifting the payment reductions imposed by AB 97 (Chapter 3, Statutes of 2011) on FS/PSA facilities. Beginning with 2021-22 rate year, the reimbursement rates for these facilities will be determined without applying the reductions or limitations set forth in Welfare and Institutions Code sections 14105.191, 14105.192, and 14105.193, and the reimbursement rates be inclusive of any Proposition 56 supplemental payments.

The effective date for proposed SPA 21-0059 is August 1, 2021 and is subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

DHCS estimates that the annual aggregate expenditures for FS/PSA services will increase by approximately \$6.9 million in total funds.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of the proposed SPA 21-0059 will be published at the following internet address:

https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2021.aspx

If you would like to view SPA 21-0059 in person once it becomes available, please visit your local county welfare Department. You may also request a copy of SPA 21-0059 using the mailing or email address below.

Written comments may be sent to the following address:

Department of Health Care Services
Fee-For-Service Rates Development Division
1501 Capitol Avenue, MS 4600
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA 21-0059 in the subject line or message.

A copy of submitted public comments related to SPA 21-0059 may be requested in writing to the mailing or e-mail inbox identified above.