

**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 INTERMEDIATE CARE FACILITIES FOR THE  
DEVELOPMENTALLY DISABLED INCLUDING HABILITATIVE AND NURSING  
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). Proposed SPA 21-0060 will seek to change the current reimbursement methodology for Intermediate Care Facilities (ICF) for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative (ICF/DD-H), and ICF/DD-Nursing (ICF/DD-N) effective August 1, 2021.

Assembly Bill (AB) 1 2x (Chapter 3, Statutes of 2016) established California Welfare and Institution Code § 14105.075. For dates of service on or after August 1, 2016, payments to intermediate care facilities for the developmentally disabled were frozen and reimbursed at the rates that were applicable to those facilities in the 2008-09 rate year, increased by 3.7 percent, plus the cost of complying with new state/federal mandates.

AB 133 (Chapter 143, Statutes of 2021) amended Welfare and Institutions Code § 14105.075. In accordance with the amended statute, SPA 21-0060 would update the reimbursement methodology for ICF/DD, ICF/DD-H and ICF/DD-N facilities. For dates of service on or after August 1, 2021, the reimbursement rates for ICF/DD, ICF/DD-H and ICF/DD-N facilities will be determined without applying any reduction, limitation, or increase, including the 3.7-percent increase, described in Welfare and Institutions Code §§ 14105.075, 14105.191, and 14105.192. Additionally, for dates of service on or after August 1, 2021, through July 31, 2022, the reimbursement rate established for an ICF/DD, ICF/DD-H and ICF/DD-N shall be the greater of:

- The facility's reimbursement rate established without applying any reduction, limitation, or increase, and inclusive of Proposition 56 supplemental payments, or
- The facility's reimbursement rate inclusive of the temporary increased Medicaid payments associated with the COVID-19 Public Health Emergency, plus the Proposition 56 supplemental payment in effect for the facility on July 31, 2021.

The effective date of the proposed SPA 21-0060 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 ICF/DD, ICF/DD-H and ICF/DD-N facilities will increase by approximately \$53.6 million in total funds.

## **PUBLIC REVIEW AND COMMENTS**

Upon submission to CMS, a copy of the proposed SPA 21-0060 will be published at the following internet address:

[https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending\\_2021.aspx](https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2021.aspx)

If you would like to view proposed SPA 21-0060 in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA 21-0060 using the mailing or email addresses listed below.

Written comments may be sent to the following address:

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

Comments may also be emailed to [PublicInput@dhcs.ca.gov](mailto:PublicInput@dhcs.ca.gov). Please indicate SPA 21-0060 in the subject line or message.

A copy of submitted public comments to SPA 21-0060 may be requested in writing to the mailing or email addresses identified above.