

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: JUNE 28, 2019**

**PROPOSED STATE PLAN AMENDMENT TO EXTEND THE SUPPLEMENTAL
PAYMENT FOR INTERMEDIATE CARE FACILITIES FOR THE
DEVELOPMENTALLY DISABLED INCLUDING HABILITATIVE AND NURSING
FACILITIES USING PROPOSITION 56 TOBACCO TAX FUNDS ALLOCATED FOR
THE 2019-20 STATE FISCAL YEAR**

This notice is to provide information of public interest about a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). The proposed SPA 19-0022 will seek to extend the time-limited supplemental payment program for Intermediate Care Facilities for the Developmentally Disabled (ICF/DD), ICF/DD-Habilitative (ICF/DD-H), and ICF/DD-Nursing (ICF/DD-N) for an additional 29 months, starting August 1, 2019 through December 31, 2021.

On November 8, 2016, California voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as Prop. 56) to increase the excise tax rate on cigarettes and tobacco products. The Budget Act of 2019, once enacted, will continue to appropriate a specified portion of the Prop. 56 revenue to DHCS for use as the nonfederal share of health care expenditures in accordance with the annual state budget process for the 2019-20 state fiscal year.

Submission of SPA 19-0022 is contingent upon allocation of Prop. 56 funds in the enacted 2019-20 Budget for this purpose. As currently proposed, this includes funds to be allocated for supplemental payments to ICF/DD, ICF/DD-H, and ICF/DD-N.

The proposed supplemental payment program for ICF/DD, ICF/DD-H, and ICF/DD-N, will consist of the following:

- An additional payment calculated based on the difference between the frozen rate at the 2008-09 65th percentile increased by 3.7%, as approved by ABX 2 1 (Stats. 2016-17, 2nd Ex. Sess., ch.3, § 14), and the 2017-18 unfrozen rate.
- Facilities in peer groups in which the unfrozen 2017-18 65th percentile rate is lower than the current reimbursement rate will not receive the supplemental payment.

The resulting supplemental payment per diem amounts for the 2019-20 Rate Year are as reflected below:

Facility Peer Group	LTC Accommodation Code (regular services)	Behold Accommodation Code	Supplemental Payment Per Diem
ICF/DD	41 (1-59 beds)	43	\$15.47
ICF/DD	41 (60+ beds)	43	\$0.00
ICF/DD-H	61 (4-6 beds)	63	\$10.75
ICF/DD-H	65 (7-15 beds)	68	\$0.00
ICF/DD-N	62 (4-6 beds)	64	\$12.47
ICF/DD-N	66 (7-15 beds)	69	\$22.30

DHCS estimates that the annual aggregate Medi-Cal expenditures for ICF/DD, ICF/DD-H, and ICF/DD-N will increase by \$21.2 million in total funds, including \$10.6 million in Prop. 56 funds.

The effective date of the proposed SPA is August 1, 2019, with a proposed end date of December 31, 2021. The proposed SPA is subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of the proposed SPA #19-0022 will be published at the following internet address:

[Pending State Plan Amendments 2019](#)

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA #19-0022 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. Please indicate SPA #19-0022 in the subject line or message.

A copy of submitted public comments to SPA #19-0022 may be requested in writing to the mailing or email addresses identified above.