

**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 FREESTANDING PEDIATRIC SUBACUTE FACILITIES USING
PROPOSITION 56 TOBACCO TAX FUNDS ALLOCATED FOR THE 2019-20
STATE FISCAL YEAR**

This notice provides information of public interest regarding a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). The proposed SPA 19-0042 will seek to extend the time-limited supplemental payment program for Freestanding Pediatric Subacute (FS/PSA) Facilities 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 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 19-0042 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 FS/PSA Facilities.

The supplemental payment amount for FS/PSAs is a fixed amount of \$132.92 for Ventilator and Non-Ventilator services and will be paid per claim, in addition to the per diem rates for each respective rate year ending July 31 2020, 2021, and August 1 through December 31, 2021 of the rate year ending July 31, 2022.

DHCS estimates that the annual aggregate increase in Medi-Cal expenditures for FS/PSA Facilities will be \$8 Million in total funds.

The proposed effective date of 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 19-0042 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 19-0042 or a copy of submitted public comments related to SPA 19-0042 by requesting it in writing to the mailing or email addresses listed below. Please indicate SPA 19-0042 in the subject line or message.

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
P.O. Box 997413, MS 4600
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA 19-0042 in the subject line or message.

A copy of submitted public comments related to SPA 19-0042 may be requested in writing to the mailing or email addresses identified above.