

DEPARTMENT OF HEALTH CARE SERVICES

NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: JULY 28, 2020

PROPOSED STATE PLAN AMENDMENT 20-0023 TO RENEW AND MODIFY THE REIMBURSEMENT METHODOLOGY FOR SKILLED NURSING FACILITY LEVEL-B & FREESTANDING SUBACUTE FACILITIES

This notice provides information of public interest with respect to the Skilled Nursing Facility (SNF) reimbursement methodology for Skilled Nursing Facility Level-B (NF-B) and Freestanding Subacute (FSSA) facilities. The Department of Health Care Services (DHCS) proposes to submit State Plan Amendment (SPA) 20-0023 to the federal Centers for Medicare and Medicaid Services (CMS), to renew and modify the existing facility-specific reimbursement methodology for these facilities, effective August 1, 2020 through December 31, 2021.

In accordance with Assembly Bill (AB) 81 (Chapter 13, Statutes of 2020), SPA 20-0023 proposes to establish a rate period of August through December 31, 2020, and provide a 3.62 percent increase in the statewide weighted average Medi-Cal reimbursement rate, plus the projected cost of complying with new state or federal mandates. Additionally, the percentile cap for the direct resident care labor cost and indirect care labor cost categories will increase from the 90th to the 95th percentile.

In addition, SPA 20-0023 will establish a rate period for the calendar year (CY) of 2021, from January through December 31, 2021, and provide a 3.5 percent increase in the statewide weighted average Medi-Cal reimbursement rate, plus the projected cost of complying with new state or federal mandates.

The proposed SPA will have an effective date of August 1, 2020. The proposed SPA is subject to approval by CMS.

DHCS estimates that the aggregate Medi-Cal expenditures for NF-B and FSSA facilities will be \$2.3 billion in total funds for the rate period of August through December 31, 2020, and \$5.7 billion for the rate period of CY 2021.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of SPA 20-0023 will be published at the following internet address:

<https://www.dhcs.ca.gov/formsandpubs/laws/Pages/PendingStatePlanAmendments.aspx>
[X](#)

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 SPA 20-0023 using the mailing address or e-mail address below.

Written comments may be sent to the following address:

Department of Health Care Services
Fee-For-Service Rates Development Division
P.O. Box 997413, MS 4600
Sacramento, California 95899-7417

Comments may also be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA 20-0023 in the subject line or message.

A copy of submitted public comments related to SPA 20-0023 may be requested in writing to the mailing address or e-mail inbox identified above.