

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST**

**PROPOSE A ONE-YEAR EXTENSION TO 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 2018-19 STATE FISCAL YEAR**

This notice provides information of public interest that the Department of Health Care Services (DHCS) will submit a State Plan Amendment 18-0029 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 year.

The Budget Act of 2018, once enacted, will appropriate a specified portion of the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as 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 2018-19 state fiscal year. As currently proposed, this includes funds to be allocated for supplemental payments to ICF/DD, ICF/DD-H, and ICF/DD-N. Submission of SPA 18-0029 is contingent upon allocation of Prop. 56 funds in the enacted 18-19 Budget for this purpose.

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 2018-19 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 projects the overall budgetary impact of the proposed supplemental payments to result in an aggregate expenditure increase of \$26 Million in total funds.

The proposed effective date for this SPA is August 1, 2018, with a proposed end date of July 31, 2019. The proposed SPA 18-0029 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 proposed SPA 18-0029 will be published at:
http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2018.aspx

If you would like to view the SPA 18-0029 in person once it becomes available, please visit your local county welfare department. You may also request a copy of the proposed SPA from the mailing address or e-mail address below.

Any written comments may be sent to: Department of Health Care Services, Fee-For-Service Rates Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899-7417, or may be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA 18-0029 in the subject line or message.

A copy of submitted public comments related to SPA 18-0029 may be requested in writing to the mailing address or e-mail inbox identified above.

Release date: **June 28, 2018**