

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

**PROPOSED SUNSET OF PAYMENT REDUCTION FOR HOME HEALTH  
AGENCY SERVICES & INCREASE TO REIMBURSEMENT RATES FOR HOME  
HEALTH AGENCY & CERTAIN PEDIATRIC DAY HEALTH CARE SERVICES**

This notice provides information of public interest that the Department of Health Care Services (DHCS) will submit State Plan Amendment (SPA) 18-0037 to sunset the current one percent payment reduction applicable to Home Health Agency (HHA) services, and to increase reimbursement rates by 50 percent for State plan HHA services and certain Pediatric Day Health Center (PDHC) services, effective July 1, 2018. SPA 18-0037 is contingent upon allocation of funds for this purpose to DHCS in the enacted Budget Act of 2018. The proposed rate increase will also apply to HHA services under the approved 1915i home and community based services SPA, contingent on allocation of funds for this purpose to the California Department of Developmental Services in the enacted Budget Act of 2018.

The affected codes and proposed fee for service (FFS) rates for HHA and affected PDHC services are identified in the table below.

<b>Procedure Code</b>	<b>Proposed FFS Rate</b>	<b>Procedure Code</b>	<b>Proposed FFS Rate</b>
Z5804	\$47.91	Z5834	\$44.12
Z5805	\$52.70	Z5835	\$48.53
Z5806	\$36.63	Z5836	\$68.15
Z5807	\$40.29	Z5838	\$28.35
Z5832	\$60.86	Z5840	\$53.66
Z5833	\$66.95	Z5868	\$44.12

DHCS projects the overall budgetary impact of sunsetting the current payment reduction for HHA services and increasing reimbursement rates for HHA services (including those in the 1915i program) and certain PDHC services will result in an aggregate expenditure increase of \$108.4 million in total funds.

The proposed SPA 18-0037 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 18-0038 will be published at:  
[http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending\\_2018.aspx](http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2018.aspx).

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 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 Rate Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899-7417, or may be emailed to [Publicinput@dhcs.ca.gov](mailto:Publicinput@dhcs.ca.gov). Please indicate SPA 18-0038 in the subject line or message.

A copy of submitted public comments related to SPA 18-0038 may be requested in writing to the mailing address or e-mail inbox identified above.

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