

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

RELEASE DATE: JUNE 29, 2020

**PROPOSED STATE PLAN AMENDMENT TO PROVIDE SUPPLEMENTAL
PAYMENTS TO ELIGIBLE HOSPITALS IN THE HOSPITAL QUALITY ASSURANCE
FEE PROGRAM UP TO THE FEDERAL UPPER PAYMENT LIMIT**

This notice provides information of public interest that the Department of Health Care Services (DHCS) proposes to submit State Plan Amendments (SPAs) 20-0042 and 20-0043. SPAs 20-0042 and 20-0043 will provide supplemental payments to eligible hospitals that meet specified requirements and provide hospital inpatient and outpatient services respectively to Medi-Cal beneficiaries. The nonfederal share of these supplemental payments is funded by California's Hospital Quality Assurance Fee (HQAF), in accordance with Section 3.5 of Article XVI of the California Constitution and the Medi-Cal Hospital Reimbursement Improvement Act of 2013 (California Welfare and Institutions (W&I) Code section 14169.50, et. seq.).

The supplemental payments to hospitals would be up to the aggregate upper payment limit for the period of July 1, 2019 through December 31, 2021 (the Program Period). The proposed SPAs would allow payments to be on a lump-sum quarterly basis throughout the duration of Program Period, and would not be paid as individual increases to current reimbursement rates for specific services.

The payments to the specified California private hospitals would supplement, and not supplant, specified existing levels of payments, but would be subject to all applicable federal payment requirements and limits.

At the time of this notice, DHCS is not able to provide an estimated fiscal impact for either SPA since the upper payment limit calculation for fiscal year 2020-21 is subject to retroactive revisions in accordance with the Centers for Medicare & Medicaid Services (CMS) State Medicaid Letter #13-003. DHCS will include estimated supplemental payment amounts in the proposed SPAs upon submission to CMS.

The effective date of the proposed SPAs is July 1, 2020.

The proposed SPAs are subject to approval by CMS.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, copies of proposed SPAs 20-0042 and 20-0043 will be published at: [2020 Pending State Plan Amendments](#).

If you would like to view the SPAs in person, once they become available, please visit your local county welfare department. You may also request copies of the SPAs from the mailing address or email, below.

Written comments may be sent to the following address:

Department of Health Care Services
Safety Net Financing Division
1501 Capitol Avenue, MS 4504
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA 20-0042 and/or 20-0043 in the subject line or message.

For a copy of submitted public comments related to SPAs 20-0042 and 20-0043, please send a request in writing to the address or email inbox identified above.