DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-26-12 Baltimore, Maryland 21244-1850



### Center for Medicaid and CHIP Services (CMCS)

DEC -6 50/5

Toby Douglas
Director of Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

RE: California State Plan Amendment TN: 12-012

Dear Mr. Douglas:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-012. This amendment provides for an exemption from the 10 percent payment reduction and rate freeze to any Distinct Part Skilled Nursing Facility – Level B that provides at least 90 percent of their services to children under the age of 21, effective February 18, 2012.

We conducted our review of your submittal according to the statutory requirements at sections 1902 (a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

We are pleased to inform you that Medicaid State plan amendment 12-012 is approved effective February 18, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Annalisa Fichera at (415) 744-3577.

Sincerely,

Gindy Mann

Director, CMCS

**Enclosures** 

OMB NO. 0938-0193				
TRANSMITTAL AND NOTICE OF APPROVAL OF	I. TRANSMITAL NUMBER:	2. STATE		
STATE PLAN MATERIAL	12-012	Callfornia		
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)			
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE			
DEPARTMENT OF HEALTH AND HUMAN SERVICES	February 17, 2012 February 18, 2012			
5. TYPE OF PLAN MATERIAL (Check One):	-			
☐ NEW STATE PLAN ☐ AMENDMENT TO BE	CONSIDERED AS NEW PLAN			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	NI)MENT (Separate Transmittal for e	ach amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:		\$ <del>584,896</del> 543,525		
AB 97 (42 CFR 447 Subpart C)	b, FFY 2012-2013	\$ 990,352		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):			
Attachment 4.19-D Page 15.4a	Attachment 4.19-D Page 15. 4a			
Exemption from reduced payment rates as mandated by Assembly  11. GOVERNOR'S REVIEW (Check One);	Bill 97 for specific facilities.			
GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPECIFIED: The Governor's Office does not wish to review State Plan Amendments			
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED. ☐ NO REPLY RECEIVED WITHINGS DAYS OF SUBMITTAL				
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:			
13. TYPED NAME: Toby Douglas	Department of Health Ca Attn: State Plan Coordi			
14. TITLE: Director	1501 Capitol Avenue, Suite 71,4001 P.O. Bux 997417 Sucramento, CA 95899-7417			
15. DATE SUBMITTED: MAR 3 0 2012				
FOR REGIONAL O	FFICE USE ONLY	· · · · · · · · · · · · · · · · · · ·		
17. DATE RECEIVED:	18. DATE APPROVED: DEC -6 2012			
PLAN APPROVED - OT	NE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIA 2012	20. SIGNATURE OF REGIONAL	official:		
21. TYPED NAME: PENNY Thompson	Deputy Direct	TOR CMCS		
23. REMARKS:				

2. Skilled Nursing Facilities that are Distinct parts of General Acute Care Hospitals – Level B (DP/NF–B)

Distinct Part Nursing Facilities Level B			
Period	Reduction	With Respect to:	
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08	
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09	
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09	
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09		
03/01/11 - 05/31/11	5%	Prospective rate for 2008/09	
06/01/11 - Present	10%	Prospective rate for 2008/09	

A Distinct Part Nursing Facility – Level B is exempt from the reductions set forth in this Paragraph 2 and in subdivision (j) of Section 14105.192 of the California Welfare and Institutions Code as in effect on June 28, 2011, on and after February 18, 2012, if the facility provides services to patients, 90 percent or more of whom are under 21 years of age at the time services are rendered.

For each State Plan Rate Year (as described in paragraph E of Section I at page 3 of this Attachment), the State will review the most recent Audits and Investigations Audit Report, used for rate setting, for total Pediatric Bed Days to identify those facilities that met the criteria stated above. If a facility is determined to meet the criteria, it will be exempt from the rate reduction for the given rate year.

3. Subacute Care Units that are, or are parts of, Distinct Parts of General Acute Care Hospitals (DP/NF Subacute)

Distinct Part Adult Subacute			
Period	Reduction	With Respect to:	
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08	
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09	
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09	
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09		

TN. No. <u>12-012</u> Supersedes TN. No. <u>11-010</u>

Approval Date DEC -6 2012 Effective Date February 18, 2012

## Revised Pages for:

#### CALIFORNIA MEDICAID STATE PLAN

Under Transmittal of

## STATE PLAN AMENDMENT (SPA)

# 12-012\*

All new pages will have this SPA\* number identified as the new TN No., so it will not be repeated for each new insert pages.

Remove Page(s)	Insert Page (s)	
Attachment 4.19-D, page 15.4a	Attachment 4.19-D, page 15.4a	
(TN 11-010)	(TN 12-012)	