

DATE: November 27, 2024

LTC RATES POLICY LETTER 24-003

TO: ALL MEDI-CAL FREESTANDING SKILLED NURSING FACILITIES

SUBJECT: FREESTANDING SKILLED NURSING FACILITY WORKFORCE STANDARDS PROGRAM

PURPOSE:

This Long-Term Care (LTC) Policy Letter is extending Freestanding Nursing Facility Level-B (FS/NF-B) and Freestanding Adult Subacute (FS/SA) units opt-in process deadline from December 1, 2024 to December 9, 2024 for the Skilled Nursing Facility Workforce Standards Program (WSP). Furthermore, this Policy Letter extends and aligns the compliance deadlines for the Basic Wage & Benefit Pathway between Calendar Year (CY) 2024 and CY 2025.

BACKGROUND:

Assembly Bill (AB) 186 (Chapter 42, Statutes of 2022) most recently amended the Medi-Cal Long-Term Care Reimbursement Act to authorize the Workforce Standards Program (WSP) for Freestanding Skilled Nursing Facilities (SNF) Level-B and Adult Freestanding Subacute Facilities Level-B effective beginning CY 2024. The WSP will provide an enhanced Medi-Cal per diem rate, including a workforce rate adjustment, to facilities that maintain a collective bargaining agreement, participate in a statewide multi-employer labor management committee (LMC), or meet basic wages and benefit standards established by DHCS.

DHCS received federal approval of the State Plan Amendment (SPA) 24-0004¹ of the CY 2024 rates and the WSP from the Centers for Medicare & Medicaid Services (CMS) on November 7, 2024.

¹ <https://www.dhcs.ca.gov/SPA/Documents/CA-24-0004-Approval.pdf>



Pursuant to Section 3(a) of Supplement 6 to Attachment 4.19-D of the California Medicaid State Plan,² facilities must opt-into the WSP at the time and in the manner specified by DHCS. DHCS issued LTC Rates Policy Letter 24-001³ on October 1, 2024 beginning the opt-in process for the WSP for both CY 2024 and CY 2025 with a deadline of no later than December 1, 2024.

Pursuant to Section 6 of Supplement 6 to Attachment 4.19-D to Attachment 4.19-D of the California Medicaid State Plan, facilities participating through the Basic Wage and Benefit Pathway must begin paying and providing basic wages and benefits prospectively within 30 days of the applicable date, provide payment and credit of the basic wages and benefits within 90 days of the applicable date, and provide a compliance attestation to DHCS within 105 days of the applicable date. Section 6 defines different applicable dates for CY 2024 and CY 2025 and permits DHCS to extend these deadlines for good cause.

POLICY:

I. Workforce Standards Program Opt-in Deadline Extension

In light of December 1, 2024 falling on the Sunday following the Thanksgiving Day holiday, DHCS is extending the opt-in deadline for CY 2024 and CY 2025 to **Monday, December 9, 2024**. Facilities that choose to participate in the WSP for CY 2024 and/or CY 2025 must submit an opt-in form and all required supplemental documents specified on the WSP Website at <https://www.dhcs.ca.gov/services/medi-cal/Pages/FFSRDD-LTC/SNFWSP.aspx> by the deadline

II. Basic Wage & Benefit Pathway Applicable Date Extension

To align the compliance deadlines for CY 2024 and CY 2025, DHCS hereby extends the applicable date for the Basic Wage & Benefit Pathway for both program years to be the later of:

1. The day that DHCS publishes the facility's CY 2024 rate on file online reflecting the facility's opt-in decision.
2. January 1, 2025.

² <https://www.dhcs.ca.gov/SPA/Documents/Supplement-6-to-Attach-4-19-D.pdf>

³ <https://www.dhcs.ca.gov/services/medi-cal/Documents/AB186%20Workforce%20Standards/LTC-Rates-PL-24-001-SNF-CY2024-Rates-and-WSP.pdf>

III. Policy Letter Adoption

This Policy Letter supersedes all prior guidance, bulletins, instructions, and regulations issued by DHCS on the matters described herein. DHCS reserves the right to modify, waive, or rescind any provision of this Policy Letter. This Policy Letter is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

A copy of this Policy Letter is posted on the Medi-Cal Long Term Care Reimbursement website at <https://www.dhcs.ca.gov/services/medi-cal/Pages/LTCRU.aspx>. If you have any questions regarding this Policy Letter, please contact the SNF WSP Inbox at SNFWSP@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY ADITYA VOLETI

Aditya Voleti, Division Chief
Fee-For-Service Rates Development Division