

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

**PROPOSED STATE PLAN AMENDMENT TO CHANGE THE REIMBURSEMENT
METHODOLOGY FOR MEDI-CAL FEE-FOR-SERVICE
ALL-INCLUSIVE DELIVERY SERVICE IN ALTERNATIVE BIRTH CENTERS**

This notice provides information of public interest regarding the Department of Health Care Services' (DHCS) intent to submit State Plan Amendment (SPA) 17-021 to change the Medi-Cal Fee-For-Service (FFS) reimbursement methodology for all-inclusive delivery services provided in Alternative Birth Centers (ABC). The submission of SPA 17-021 is contingent upon the enactment of legislation to implement the Diagnosis-Related Groups (DRG) based methodology for ABCs, specifically Senate Bill (SB) No. 97 (2017-18 Reg. Sess.).

Currently, the reimbursement methodology to ABCs for facility-related delivery costs is a statewide all-inclusive rate per delivery that shall not exceed 80 percent of the average Medi-Cal reimbursement received by general acute care hospitals with Medi-Cal contracts, and is based on an average hospital length of stay of 1.7 days. The proposed SPA would change the reimbursement methodology to one based on DRG that reflects the costs and staffing levels associated with quality of care for patients in all general acute care hospitals, as described in Welfare and Institutions Code, Section 14105.28. The proposed SPA would amend the FFS reimbursement methodology for all-inclusive delivery services provided in an ABC so that it does not exceed eighty percent of the average DRG - Level 1 rate received by general acute care hospitals. The proposed effective date for these changes is July 1, 2017, contingent on the enactment of SB 97.

Any proposed SPA revisions are subject to approval by the Federal Centers for Medicare and Medicaid Services.

It is estimated that the reimbursement methodology revision will increase Medi-Cal FFS expenditures by \$50,000 Total Funds annually.

Public Review and Comments

A copy of SPA 17-021 will be published at http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pro_SPA.aspx once the SPA is available. 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 SPA from the mailing address or e-mail, below.

Any written comments concerning this notice or proposed SPA 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 e-mailed to PublicInput@dhcs.ca.gov. A copy of public comments may be requested in writing to

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: California

the same address and e-mail inbox identified above. Please indicate SPA 17-021 in the subject line or message.

Release date: June 30, 2017