

## **Table of Contents**

**State/Territory Name: CA**

**State Plan Amendment (SPA) #: CA-24-0029**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

November 7, 2024

Tyler Sadwith  
State Medicaid Director  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

RE: California State Plan Amendment Transmittal Number 24-0029

Dear State Medicaid Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed California state plan amendment (SPA) to Attachment 4.19-A CA-24-0029, which was submitted to CMS on June 28, 2024. This plan amendment updates the list of government-operated hospitals subject to specified reimbursement methodologies for inpatient hospital services.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), and 1923 of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of April 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Mark Wong at 415-744-3561 or via email at [mark.wong@cms.hhs.gov](mailto:mark.wong@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

----- 42 CFR 447 Subpart C  
Section 1923 of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY \_\_\_\_\_ \$ \_\_\_\_\_  
b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, page 21

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-A, page 21

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
Please note: The Governor's Office does not wish to review the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

**FOR CMS USE ONLY**

16. DATE RECEIVED  
June 28, 2024

17. DATE APPROVED  
November 7, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
April 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, Financial Management Group

22. REMARKS

Pen-and-ink change made to Boxes 5, 7, and 8 by CMS with state concurrence.

14. "Uninsured individuals" means individuals with no source of third party insurance coverage for the hospital services they receive.
  15. "Demonstration funding" means Medicaid funding for medical care services rendered to uninsured individuals, which is in addition to DSH payment adjustments, that is made available under the terms and conditions of a federal Medicaid demonstration project authorized by Section 1115(a) of the Social Security Act.
- C. Eligibility For Disproportionate Share Hospital Payment Adjustments
1. Disproportionate share hospitals, as determined under subsections A.1 and A.2, that are government-operated hospitals shall be eligible to receive payment adjustments provided for under Sections D through F, below.
  2. The eligible hospitals described in subsection C.1 will be categorized into one of the following DSH groups:
    - a. Cost-based DSH facilities - government-operated hospitals eligible for reimbursement of inpatient hospital services pursuant to page 46 et seq. of this Attachment 4.19-A, as specified in Appendix 1 to this Attachment, and any other government-operated hospitals receiving approval of the Centers for Medicare & Medicaid Services. A hospital added to Appendix 1 after the start of a DSH payment adjustment year and before any DSH payments pertaining to that payment adjustment year have been issued will be treated as a cost-based DSH facility effective with the entire DSH payment adjustment year. However, for a hospital added to Appendix 1 in this scenario, for the purpose of paragraph D.2.b of this section, only costs for the partial period effective with the date the hospital is added to Appendix 1 can be included. A hospital added to Appendix 1 after the start of a DSH payment adjustment year and after any DSH payments pertaining to that payment adjustment year have been issued will continue to be paid DSH or DSH Replacement payments as a non-cost based DSH facility or private hospital, as applicable, for the remainder of that payment adjustment year and will be treated as a cost-based DSH facility effective with the beginning of the next DSH payment adjustment year.
    - b. Non cost-based DSH facilities - government-operated hospitals that do not meet the description set forth in paragraph C.2.a, above.
- D. Disproportionate Share Hospital Payment Adjustments
1. Payment adjustments for non-cost-based DSH facilities shall be determined as follows:
    - a. For each subject payment adjustment year, the State will continue to perform all computations pursuant to the DSH provisions of the State Plan in effect as of the 2004-05 payment adjustment year, set forth in Appendix 2 to this Attachment 4.19-A ("the prior DSH methodology"). The State will use all data that would have been applicable for the subject payment adjustment year as if the prior DSH methodology was in effect for that year. The resulting determinations shall be used for purposes of the calculations set forth below.
    - b. For each individual non cost-based DSH facility, the State will determine the sum of the hospital's non-supplemental payment adjustment amount pursuant to subsection P.2 of the prior DSH methodology, and the hospital's supplemental lump-sum payment adjustment amount pursuant to subsection P.3 of the prior DSH methodology.

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

The government-operated hospitals listed below, and any other government-operated hospital that subsequently is approved by the Centers for Medicare & Medicaid Services (CMS), and including any successor, restructured, reorganized, or differently named hospital as applicable, will receive federal reimbursement for inpatient hospital services provided to Medi-Cal beneficiaries using the cost-based reimbursement methodology specified on pages 46 through 50 of this Attachment:

- (1) UC Davis Medical Center
- (2) UC Irvine Medical Center
- (3) UC Irvine Health – Fountain Valley (DPH date April 1, 2024)
- (4) UC Irvine Health – Los Alamitos (DPH date April 1, 2024)
- (5) UC Irvine Health – Lakewood (DPH date April 1, 2024)
- (6) UC Irvine Health – Placentia-Linda (DPH date April 1, 2024)
- (7) UC San Diego Medical Center
- (8) UC San Francisco Medical Center
- (9) UC Los Angeles Medical Center, including Santa Monica/UCLA Medical Center
- (10) UC Los Angeles West Valley Medical Center (DPH date April 1, 2024)
- (11) LA County Harbor/UCLA Medical Center
- (12) LA County Martin Luther King Jr. Charles R. Drew Medical Center (Closed August, 2007)
- (13) LA County Olive View UCLA Medical Center
- (14) LA County Rancho Los Amigos National Rehabilitation Center
- (15) LA General Medical Center (name change from Los Angeles County University of Southern California Medical Center as of May 3, 2023)
- (16) Alameda County Medical Center
- (17) Alameda Hospital (DPH date July 1, 2016)
- (18) San Leandro Hospital (DPH date July 1, 2016)
- (19) Arrowhead Regional Medical Center
- (20) Contra Costa Regional Medical Center
- (21) Kern Medical Center
- (22) Natividad Medical Center
- (23) Riverside University Health System - Medical Center
- (24) San Francisco General Hospital
- (25) San Joaquin General Hospital
- (26) San Mateo Medical Center
- (27) Santa Clara Valley Medical Center
- (28) Tuolumne General Hospital (Closed June, 2007)
- (29) Ventura County Medical Center