

## **Table of Contents**

**State/Territory Name: CA**

**State Plan Amendment (SPA) #: CA-23-0016**

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**

July 25, 2023

Jacey K. Cooper  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

RE: California State Plan Amendment Transmittal Number 23-0016

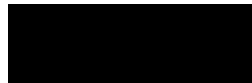
Dear Chief Deputy Director Cooper:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 23-0016. Effective July 1, 2023, this amendment extends the Non-Designated Public Hospital Supplemental Fund program for the state fiscal year ending 2024.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment TN 23-0016 is approved effective July 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Mark Wong at (415) 744-3561 or [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 3 — 0 0 1 6

2. STATE

CA3. 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

July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 447 Subpart C

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 498,750b. FFY 2024 \$ 1,439,2507. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Supplement 2 to Attachment 4.19-A, pages 7-98. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)  
Supplement 2 to Attachment 4.19-A, pages 7-9

9. SUBJECT OF AMENDMENT

Supplemental Reimbursement for Qualified Non-Designated Public Hospitals

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

Jacey Cooper

13. TITLE

State Medicaid Director

14. DATE SUBMITTED

June 9, 2023

15. RETURN TO

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

**FOR CMS USE ONLY**

16. DATE RECEIVED

June 9, 2023

17. DATE APPROVED

July 25, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: CALIFORNIA**

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**SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED NON-DESIGNATED  
PUBLIC HOSPITALS**

This segment of the State Plan describes an enhanced Medi-Cal payment for non-designated public hospitals that have a need for assistance in ensuring the availability of essential services for Medi-Cal beneficiaries, and that meet the requirements in Sections A and B below.

The Non-Designated Public Hospital (NDPH) Supplemental Fund program (Fund) was established under a Social Security Act (SSA) section 1915(b) waiver (and starting in 2005 under a SSA section 1115(a) Medicaid Demonstration) granting the Department of Health Care Services (DHCS) authority to make NDPH supplemental payments to hospitals participating in the Medi-Cal Selective Provider Contracting Program (SPCP). The SPCP for the NDPHs ended on December 31, 2013. This section of Attachment 4.19-A is written to continue DHCS' federal authority to provide supplemental reimbursement payments to NDPHs participating in the NDPH Supplemental Fund Program.

The effective date of this SPA is July 1, 2023.

**A. DEFINITION OF A NON-DESIGNATED PUBLIC HOSPITAL**

A non-designated public hospital is defined as a facility that is a public hospital defined in paragraph (25), of subdivision (a) of section 14105.98 of the Welfare & Institutions Code, as the law was in effect on July 1, 2023, excluding designated public hospitals as defined in subdivision (d) of section 14166.1 of the Welfare & Institutions Code.

**B. DEFINITION OF AN ELIGIBLE NON-DESIGNATED PUBLIC HOSPITAL**

An eligible hospital is a NDPH that is Medi-Cal certified, had its SPCP contract inactivated on January 1, 2014, and that meets the criteria in paragraph (1) below:

1. The hospital meets all of the following criteria:
  - a. The hospital meets the criteria contained in the Medicaid State Plan for Disproportionate Share Hospital (DSH) status.
  - b. The hospital is one of the following:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: CALIFORNIA**

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**SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED NON-DESIGNATED  
PUBLIC HOSPITALS**

- i. A licensed provider of basic emergency services as described in section 70411 of title 22 of the California Code of Regulations, as the law was in effect on July 1, 2023.
- ii. A licensed provider of comprehensive emergency medical services as defined in section 70451 of title 22 of the California Code of Regulations, as the law was in effect on July 1, 2023.
- iii. The hospital is a licensed provider of standby emergency services as described in section 70649 of title 22 of the California Code of Regulations, as the regulation was in effect on July 1, 2023, and the hospital is a small and rural hospital as defined in section 124840 of the Health and Safety Code, as the law was in effect on July 1, 2023.

**C. PAYMENT METHODOLOGY FOR ELIGIBLE NON-DESIGNATED PUBLIC HOSPITALS:**

- 1. Supplemental reimbursement provided by this program will be distributed under a payment methodology based on hospital services provided to Medi-Cal patients at the eligible hospital. The payment methodology for State Fiscal Year (SFY) 2023-24 will be as described below; payment methodology for subsequent years will be submitted by DHCS via a revised State Plan Amendment:
  - a. DHCS shall identify DSH eligible hospitals for the applicable fiscal year from the Final DSH Eligibility List adopted by DHCS.
  - b. The aggregate supplemental payment amount of \$3,800,000, will be paid to hospitals on April 1, 2024 for SFY 2023-24 or as soon thereafter as practicable but no later than the end of the respective state fiscal year, as follows:
    - i. If the hospital is eligible to participate in the SFY 2023-24 supplemental program and also participated in the SFY 2022-23 supplemental program, the funding that the hospital

TN No. 23-0016

Supersedes:

TN No. 22-0025Approval Date July 25, 2023 Effective Date: July 1, 2023

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: CALIFORNIA**

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**SUPPLEMENTAL REIMBURSEMENT FOR QUALIFIED NON-DESIGNATED  
PUBLIC HOSPITALS**

received in SFY 2022-23 will be its amount for the SFY 2023-24 program.

- ii. If the hospital is eligible to participate in the SFY 2023-24 program, but did not participate in the SFY 2022-23 program, then its amount will be the payment it received in the most recent year in which it participated.
- iii. For any hospital eligible to participate in the SFY 2023-24 that has not previously been eligible to participate in NDPH supplemental payment distributions, an amount of \$50,000 will be paid to the hospital for services rendered in SFY 2023-24.
- iv. If the fund balance is lower than the amount needed to pay after paragraph C.1.b.i., ii., and iii is determined, then a pro rata reduction will be applied to all SFY 2023-24 eligible hospitals. If the fund balance is higher than the amounts in paragraph C.1.b.i., ii., and iii, then DHCS will pro-rate any remaining funds to the SFY 2023-24 eligible hospitals.

**D. DEPARTMENT'S RESPONSIBILITIES**

- 1. Aggregate Medi-Cal reimbursement provided to non-designated public hospitals will not exceed applicable federal upper payment limits, including title 42 Code of Federal Regulations sections 447.271 and 447.272.