

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

November 22, 2017

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

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 17-039, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 29, 2017. This SPA will amend the Medi-Cal Fee-for-Service (FFS) statewide all-inclusive reimbursement rate for delivery services provided in Alternative Birth Centers (ABCs) so that the payment does not exceed eighty (80) percent of the statewide average Diagnosis Related Group (DRG) - Level 1 rate received by general acute care hospitals.

The effective date of this SPA is July 1, 2017. Enclosed is the following approved SPA page that should be incorporated into your approved state plan:

- Attachment 4.19-B, page 65

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

/s/

Henrietta Sam-Louie
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Connie Florez, California Department of Health Care Services (DHCS)
Angel Rodriguez, DHCS
Adam Neighbours, DHCS
Nathaniel Emery, DHCS
Wendy Ly, DHCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 17-021-039	2. STATE California
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE July 1, 2017	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)	
6. FEDERAL STATUTE/REGULATION CITATION: Affordable Care Act, Section 2301; W&I Code, Section 1405.28; and W&I Code, Section 14148.8 42 CFR 447, Subpart F	7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$6,250 b. FFY 2018 \$18,750 \$25,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 65	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 65	
10. SUBJECT OF AMENDMENT: Reimbursement for Alternative Birth Centers		
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor's Office does not <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL wish to review the State Plan Amendment.		
ORIGINAL SIGNED		
14. TITLE: State Medicaid Director		
15. DATE SUBMITTED: August 29, 2017		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: August 29, 2017	18. DATE APPROVED: November 22, 2017	
PLAN APPROVED - ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2017	20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Henrietta Sam-Louie	22. TITLE: Associate Regional Administrator, Division of Medicaid & Children's Health Operations	
23. REMARKS: Boxes 1, 6 and 7: Pen and ink changes made per CA response to CMS informal questions made via email dated 10/16/17. Box 15: Pen and ink change made by CMS via CA email dated 11/14/17.		

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California

REIMBURSEMENT FOR ALTERNATIVE BIRTH CENTERS (FREE-STANDING BIRTH CENTERS) AND LICENSED OR OTHERWISE STATE-RECOGNIZED COVERED PROFESSIONALS PROVIDING SERVICES IN ALTERNATIVE BIRTH CENTERS

Alternative Birth Center services described in paragraph 29.a of Attachment 3.1-A and in paragraph 28.a of Attachment 3.1-B of the California State Plan are reimbursed at the lower of (1) the usual and customary rate, or (2) California Department of Health Care Services' (DHCS') published statewide all-inclusive rate per delivery.

Effective July 1, 2017, the statewide all-inclusive reimbursement rate for delivery services will not exceed 80 percent of the Diagnosis-Related Group (APR-DRG 560-1) for Vaginal Delivery rate received by general acute care hospitals.

Reimbursement rates for licensed or otherwise State-recognized covered professionals providing services in an Alternative Birth Center as described in paragraph 29.b of Attachment 3.1-A and in paragraph 28.b of Attachment 3.1-B are published on the DHCS Website referenced above.

Except as otherwise provided in the State Plan, State developed fee schedule rates are the same for both governmental and private providers of Alternative Birth Center services. The agency's fee schedule was set effective July 1, 2017, for services provided on or after that date. The DHCS rates are published on the DHCS Website at <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

TN: 17-039

Supersedes:

TN: 14-017

Approved Date: November 22, 2017

Effective Date: July 1, 2017