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## State Demonstrations Group

April 29, 2019

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

Dear Ms. Cantwell:

The Centers for Medicare & Medicaid Services (CMS) approves California's request to reallocate the unused portion of the spending limit for the Safety Net Care Pool (SNCP) Demonstration Year (DY) 8 and DY 9 for use in DY 10, under the section 1115 Medicaid "Bridge to Reform Demonstration" (11-W00193/9). Specifically, CMS will allow \$120 million total computable (TC) to be reallocated to the DY 10 SNCP annual limit consisting of \$60 million TC that will not be expended by the SNCP program in DY 8, and \$60 million TC that will not be expended by the SNCP program in DY 9. The annual limit for DY 8 will decrease from \$1.669 billion TC to \$1.609 billion TC, and the annual limit for DY 9 will decrease from \$1.448 billion TC to \$1.388 billion TC. The annual limit for DY 10 will increase from \$1.275 billion TC to \$1.395 billion TC.

This approval is pursuant to paragraph 41 of the demonstration's special terms and conditions. California should only claim expenditures within the SNCP spending limits. The state will be obliged to return the federal portion of any excess claims to CMS above the SNCP spending limits. If you have additional questions or concerns, please contact your project officer Heather Ross at (410) 786- 3666, or at [Heather.Ross@cms.hhs.gov](mailto:Heather.Ross@cms.hhs.gov).

Sincerely,

/s/

Angela D. Garner  
Director  
Division of System Reform Demonstration

cc: Richard Allen, Director, Division of Medicaid Field Operations West