



TOBY DOUGLAS
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

May 1, 2012

Alexis E. Gibson, Esq.
Project Officer
Division of State Demonstrations & Waivers
Center for Medicaid and CHIP Services, CMS
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Dear Ms. Gibson:

Department of Health Care Services (DHCS) is submitting this revision to pending amendment request submitted July 22, 2011 to the Bridge to Reform Demonstration (BTR) Project (11-W-00193/9) to reallocate funds within the Safety Net Care Pool (SNCP). The original request was submitted in accordance with paragraphs 7 and 35.a.iv of the Special Terms and Conditions (STCs) and this revision is a part of that initial request. All STC notice requirements were completed for the original amendment. The original notice is applicable and sufficient for this revised request. This revision does not alter the relevant amendment details that are contained in the original notice. (See Tribal Notice on page seven of Enclosure #2.)

Health Care Coverage Initiative (HCCI)

As noted in our original amendment request, under the BTR, the state may spend up to \$360 million (total computable) in each DY on expenditures associated with services for the HCCI population. HCCI programs, which are components of the Low Income Health Programs (LIHP), are voluntary local programs that provide benefits for eligible individuals with family incomes above 133 percent through 200 percent of the federal poverty level.

As required by the STCs, DHCS will determine the HCCI allocations for expenditures in each local program in each year of the Demonstration, and will submit these allocations to Centers for Medicare & Medicaid Services (CMS) for approval.¹ DHCS has determined from the LIHP applications, and through further verification with the local

¹ Special Terms and Conditions ¶ 47.

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LIHPs that have requested HCCI allocations, that the \$360 million (total computable) allocated for HCCI programs for DYs 6 & 7 will not be fully expended. We request that in addition to the DY6 rollover of HCCI to SNCP Uncompensated care limit in the amount of \$176 million total computable, a rollover of DY 7 HCCI to SNCP Uncompensated care limit of \$146M total computable.

Under this revised amendment, we request that the BTR Waiver Terms & Conditions be amended to allow that the total computable amounts identified above be made available for claiming under the SNCP Uncompensated Care limits for their respective years or carried over into future years if sufficient allowable certified public expenditures are not available to claim the full amount of the SNCP Uncompensated Care limit. We have included as enclosures 1) the proposed revised STC language, and 2) the original amendment request that we seek to revise.

Sincerely,



Toby Douglas
Director

Enclosures

cc: Ms. Gloria Nagle
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Enclosure 1: requested amendment language

We request the following changes to the STCs.

Amend STC 36 subparagraph (b)(iii) as follows:

(iii) **SNCP Uncompensated Care Limits** – Taken together, the total computable annual limits for SNCP and DSHP cannot exceed the following:

1. DY 6 - \$1.633 billion
2. DY 7 - \$1.672 billion
3. DY 8 - \$1.5752 billion
4. DY 9 - \$1.422 billion
5. DY 10 - \$1.272 billion

Notwithstanding the total computable annual limits specified above, for DY 6 and DY 7, reallocated funds in the amount of \$176 million and \$146 million, respectively, from the HCCI component from each of those years will be added to their respective total computable annual limit listed above for those years. If the available SNCP Uncompensated Care expenditures in DY6 or DY7 are not sufficient to fully claim the reallocated funds, those funds will be made available for claiming in later demonstration years, notwithstanding the total computable annual limits specified above

The annual limit the State may claim FFP for DSHP is limited to the programs listed above and shall not exceed \$400 million FFP per year, for a 5 year total of \$2 billion FFP.