

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop 52-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

---

OCT 27 2011

Toby Douglas  
Director of Health Care Programs  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Enclosed is an approved copy of California State plan amendment (SPA) 11-010. This SPA proposes to reduce the reimbursement rates for the following long term care facilities by 10%, effective June 1, 2011:

- Nursing Facilities – Level A
- Distinct Part Nursing Facilities – Level B

We conducted our review of your submittal with particular attention to the statutory requirements at sections 1902(a)(13), and 1902(a)(30), of the Social Security Act (Act) and the implementing Federal regulations at 42 CFR 447 Subpart C. Because I find that this amendment complies with all applicable requirements, Medicaid State plan amendment 11-010 is approved effective June 1, 2011. We are enclosing the HCFA-179 and the amended plan pages.

As part of the analysis of this amendment, the State was able to provide metrics which adequately demonstrated beneficiary access. In general, these metrics included data which provided:

- Total number of providers by type and geographic location and participating Medi-Cal providers by type and geographic area
- Total number of Med-Cal Beneficiaries by eligibility type
- Utilization of services by eligibility type over time
- Analysis of benchmark service utilization where available

Data concerning these metrics were submitted for State Fiscal Years (SFY) 2008, 2009 and 2010. These metrics demonstrated a baseline level of beneficiary access that we find is consistent with the requirements of section 1902(a)(30)(A) of the Act prior to the implementation of SPA 11-010. As well as determining beneficiary access for SFY 2010, the State also submitted a monitoring plan as part of SPA 08-009B1 (also being approved today) that would apply to the services at issue in this SPA by which beneficiary access will be monitored on a service-by-service basis. The State will monitor predetermined

Page 2 -- Mr. Douglas

metrics on a quarterly or annual basis in order to ensure that beneficiary access is comparable to services available to the general population in the geographic area.

In light of the data CMS reviewed, the monitoring plan, and our consideration of stakeholder input, we have determined that the above mentioned amendment complies with section 1902(a)(30)(A) of the Act.

If you have any questions, please have your staff contact Mark Wong at (415) 744-3561.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Cindy Marsh  
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

11-010

2. STATE

California

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

June 1, 2011

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

AB-02- 42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2010-2011	\$-16,029,075
b. FFY 2011-2012	\$-185,885,000
c. FFY 2012-2013	\$-127,816,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D Page 15.4 and 15.4a

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

Attachment 4.19-D Page 15.4 and 15.4a

10. SUBJECT OF AMENDMENT:

Reduced payment rates as mandated by Assembly Bill 97

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED:

The Governor's Office does not wish to review State Plan Amendments

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

16. RETURN TO:

Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue, Suite 71.4001  
P.O. Box 997417  
Sacramento, CA 95899-7417

14. TITLE:

Toby Douglas  
Director

15. DATE SUBMITTED:

10/4/11

17. DATE RECEIVED:

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

OCT 27 2011

19. EFFECTIVE DATE OF AMENDMENT: 7 2011

21. TYPED NAME:

CINDY MANN

22. SIGNATURE:

DIRECTOR, CMCS

Pen-and-ink changes made to Boxes 6 and 7 by Regional Office with State concurrence.

2. A skilled nursing facility that is a distinct part of a general acute care hospital as defined in Section 72041 of Title 22 of the California Code of Regulations.
3. A subacute care program, as described in Section 14132.25 or subacute care unit, as described in Sections 51215.5 and 51215.8 of Title 22 of the California Code of Regulations.

K. Unless otherwise specified in this Section K, the facility types listed below will be reimbursed at the prospective rate for services provided in the particular rate year. The tables below reflect rate reductions at specified percentages (or rates that remain unchanged) with respect to the prospective rate applicable for the particular time period. "Prospective rate" means the prospective rate established for a given rate year in accordance with this Part IV (and other provisions of this Attachment, as applicable). Reductions specified below will only be applied for the dates listed.

1. Nursing Facilities – Level A (NF-A)

<b>Nursing Facilities Level A</b>		
Period	Reduction	With Respect to:
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09
03/01/09 - 05/31/11	5%	Prospective rate for 2008/09
06/01/11 - Present	10%	Prospective rate for 2008/09

2. Skilled Nursing Facilities that are Distinct parts of General Acute Care Hospitals – Level B (DP/NF–B)

<b>Distinct Part Nursing Facilities Level B</b>		
Period	Reduction	With Respect to:
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09	
03/01/11 - 05/31/11	5%	Prospective rate for 2008/09
06/01/11 - Present	10%	Prospective rate for 2008/09

3. Subacute Care Units that are, or are parts of, Distinct Parts of General Acute Care Hospitals (DP/NF Subacute)

<b>Distinct Part Adult Subacute</b>		
Period	Reduction	With Respect to:
07/01/08 - 07/31/08	10%	Prospective rate for 2007/08
08/01/08 - 02/28/09	10%	Prospective rate for 2008/09
03/01/09 - 04/05/09	5%	Prospective rate for 2008/09
08/01/09 - 02/23/10	Set at Prospective rate for 2008/09	

TN. No. 11-010  
Supersedes  
TN. No. 08-009D

**OCT 27 2011**

Approval Date \_\_\_\_\_

Effective Date June 1, 2011