

Table of Contents

State/Territory Name: California

State Plan Amendment (SPA) #: 12-012

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 S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services (CMCS)

DEC -6 2012

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

RE: California State Plan Amendment TN: 12-012

Dear Mr. Douglas:


We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 12-012. This amendment provides for an exemption from the 10 percent payment reduction and rate freeze to any Distinct Part Skilled Nursing Facility – Level B that provides at least 90 percent of their services to children under the age of 21, effective February 18, 2012.

We conducted our review of your submittal according to the statutory requirements at sections 1902 (a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.



We are pleased to inform you that Medicaid State plan amendment 12-012 is approved effective February 18, 2012. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Annalisa Fichera at (415) 744-3577.

Sincerely,


Cindy Mann
Director, CMCS

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-012	2. STATE California
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE February 17, 2012 February 18, 2012	
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: AB 97 (42 CFR 447 Subpart C)		7. FEDERAL BUDGET IMPACT: a. FFY 2011-2012 \$ 584,896 543,525 b. FFY 2012-2013 \$ 990,352	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Page 15.4a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D Page 15. 4a	
10. SUBJECT OF AMENDMENT: Exemption from reduced payment rates as mandated by Assembly Bill 97 for specific facilities.			
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 wish to review State Plan Amendments <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		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	
13. TYPED NAME: Toby Douglas		17. DATE RECEIVED:	
14. TITLE: Director		18. DATE APPROVED: DEC -6 2012	
15. DATE SUBMITTED: MAR 30 2012		FOR REGIONAL OFFICE USE ONLY	
19. EFFECTIVE DATE OF APPROVED MATERIAL: FEB 18 2012		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

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

Distinct Part Nursing Facilities Level 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

A Distinct Part Nursing Facility – Level B is exempt from the reductions set forth in this Paragraph 2 and in subdivision (j) of Section 14105.192 of the California Welfare and Institutions Code as in effect on June 28, 2011, on and after February 18, 2012, if the facility provides services to patients, 90 percent or more of whom are under 21 years of age at the time services are rendered.

For each State Plan Rate Year (as described in paragraph E of Section I at page 3 of this Attachment), the State will review the most recent Audits and Investigations Audit Report, used for rate setting, for total Pediatric Bed Days to identify those facilities that met the criteria stated above. If a facility is determined to meet the criteria, it will be exempt from the rate reduction for the given rate year.

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

Distinct Part Adult Subacute		
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	

OS Notification

State/Title/Plan Number: California State Plan Amendment 12-012

Type of Action: SPA Approval

Effective Date of SPA: February 18, 2012

Required Date for State Notification: December 19, 2012

Fiscal Impact: \$543,525 federal for federal fiscal year 2012
\$990,352 federal for federal fiscal year 2013

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0

Number of Potential Newly Eligible People: 0

or

Eligibility Simplification:

Provider Payment Increase or Decrease: Increase

Delivery System Innovation: No

Number of People Losing Medicaid Eligibility: 0

Reduces Benefits: No

Detail:

This State Plan Amendment provides for an exemption from the 10 percent payment reduction and rate freeze to any Distinct Part Skilled Nursing Facility – Level B that provides at least 90 percent of their services to children under the age of 21.

For each State Plan Rate Year, the State will review the most recent Audits and Investigations Audit Report, used for rate setting, for total Pediatric Bed Days to identify those facilities that met the criteria stated above. If a facility is determined to meet the criteria, it will be exempt from the rate reduction for the given rate year.

This amendment effectively allows for one facility in California - Rady Children's Convalescent Hospital - to be exempt from the rate freeze/reduction that is otherwise applicable to Distinct Part Skilled Nursing Facilities - Level B. This facility notified the State that they would have to close its DP/NF-B facility if the payment reduction was implemented. The Department's Audits and Investigations Division was able to confirm that this facility was the only DP/NF-B facility throughout the state that primarily provided care for children. Additionally, the State performed an analysis to determine if this facility closed its DP/NF-B, how cost to the state would be affected as the patient days would be shifted into higher-cost levels of care such as acute care and pediatric subacute care. Based on the analysis, it would cost the state relatively the same as if this facility was exempt from the payment reduction/freeze.

All funding questions have been adequately answered. Public process requirements have been met. The State has satisfied tribal consultation requirements for this SPA.

Other Considerations: We do not recommend the Secretary contact the Governor.