

Table of Contents

State/Territory Name: California

State Plan Amendment (SPA) #: 17-032

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

OCT 11 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

RE: California State Plan Amendment 17-032

Dear Ms. Cantwell:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 17-032. This State plan amendment (SPA) updates Attachment 4.19-A to add a process for determining if and when the Neonatal Intensive Care Unit (NICU) policy adjustor will apply to hospitals reimbursed under the Diagnosis Related Group (DRG) methodology when California Children's Services (CCS) determines the DRG hospital qualifies as Regional NICU or Community NICU.

We conducted our review of your submittal according to the statutory requirements at sections 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. This is to inform you that Medicaid State plan amendment TN 17-032 is approved effective August 15, 2017. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Blake Holt at (415) 744-3754.

Sincerely,

A black rectangular redaction box covers the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
17-032

2. STATE
CA

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
August 15, 2017

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:
42 CFR Part 447, Subpart C. 1902(a)(13) of the Act

7. FEDERAL BUDGET IMPACT:
a. FFY ~~2016~~ 2017 \$0
b. FFY 2017 2018 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Appendix 6 to Attachment 4.19A, pages 4a 3-4a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Appendix 6 to Attachment 4.19A, pages 3-4

10. SUBJECT OF AMENDMENT:

Inpatient Hospital APR-DRG updates for SFY 2017-18

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The Governor's Office does not
wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Mari Cantwell

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

16. RETURN TO:

**Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
P.O. Box 997417
Sacramento, CA 95899-7417**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: **OCT 11 2017**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

AUG 15 2017

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristen Fan

22. TITLE:

Director, FMCO

23. REMARKS:

Pen and ink changes made to Boxes 7 and 8 with state concurrence.

J7193/J7194/J7195	Blood factor IX
J7197	Blood factor Anti-thrombin III
J7198	Blood factor Anti-inhibitor
C9134	Blood Factor XIII Antihemophilic factor
J7199	Alprolix and Factor VIII
Long Acting Reversible Contraception Methods	
J7300	Intrauterine Copper (Paraguard)
J7301	Skyla
J7302	Levonorgestral-releasing intrauterine contraceptive system (Mirena)
J7307	Etonogestrel (Implanon, Nexplanon)

3. List of Hospitals Eligible to receive the “Policy Adjustor – NICU Surgery”

A. Hospitals approved to receive Policy Adjustor – NICU Surgery, status as of August 15, 2017:

- 1) California Pacific Medical Center - Pacific
- 2) Cedars Sinai Medical Center
- 3) Children’s Hospital & Research Center of Oakland (UCSF Benioff Oakland)
- 4) Children’s Hospital of Central California
- 5) Children’s Hospital of Los Angeles
- 6) Children’s Hospital of Orange County
- 7) Citrus Valley Medical Central – Queen of the Valley
- 8) Community Memorial Hospital of Santa Buena Ventura
- 9) Community Regional Medical Center Fresno
- 10) Good Samaritan – Los Angeles
- 11) Good Samaritan - San Jose
- 12) Huntington Memorial Hospital
- 13) Kaiser Anaheim
- 14) Kaiser Downey
- 15) Kaiser Fontana
- 16) Kaiser Foundation Hospital - Los Angeles
- 17) Kaiser Permanente Medical Center - Oakland
- 18) Kaiser Foundation Hospital – Roseville
- 19) Kaiser Permanente – Santa Clara
- 20) Kaiser Foundation Hospital San Diego
- 21) Loma Linda University Medical Center
- 22) Lucille Salter Packard Children’s Hospital – Stanford
- 23) Miller Children’s at Long Beach Memorial Medical Center
- 24) Pomona Valley Hospital Medical Center
- 25) Providence Tarzana
- 26) Rady Children’s Hospital - San Diego
- 27) Santa Barbara Cottage Hospital
- 28) Sutter Memorial Hospital
- 29) White Memorial Medical Center

- B. For purposes of receiving the Policy Adjustor – NICU Surgery, the hospital listed in Paragraph 3.A must:
- 1) Be performing services assigned to the neonate care category;
 - 2) Have been approved by California Children’s Services (CCS) and continue to meet the standards of either a Regional NICU as defined in the CCS Manual of Procedures Chapter 3.25.1 or a Community NICU with a neonatal surgery as defined in Chapter 3.25.2;
 - 3) Have been approved by CCS and continue to meet the neonatal surgery standards set forth in CCS Manual of Procedures Chapter 3.34;
 - 4) Pass periodic CCS review. Hospital review may be conducted annually or as deemed necessary by CCS. These reviews will determine whether the hospital continues to meet all applicable neonatal surgery standards.
- C. A hospital not yet listed in Paragraph 3.A may receive the Policy Adjustor – NICU Surgery if the hospital complies with Paragraph 3.B and the process set forth in this Paragraph.
- 1) Submit a Policy Adjustor – NICU Surgery Request (Request) and supporting documentation for DHCS review, which shall include the following:
 - i. A copy of the hospital license issued by the Licensing & Certification of the California Department of Public Health showing that the hospital has been licensed as:
 1. An acute general hospital under section 70003, 70005; and
 2. An intensive care newborn nursery (ICNN)
 - ii. A copy of the CCS approval documentation in the format promulgated by CCS granting NICU Surgery approval
 - 2) Once the DHCS has received the completed Request, the Request will be reviewed within 30 calendar days of the date the Request was received, if possible.
 - 3) DHCS shall promptly notify the hospital if the review and determination of the Request will take longer than 30 calendar days, if needed or if the Request will not be approved.

- 4) Upon DHCS' approval of the Request, the hospital will qualify to receive the Policy Adjustor-NICU Surgery beginning next fiscal quarter. Approved eligible hospitals do not need to be listed in Paragraph 3.A to start receiving the Policy Adjustor-NICU Surgery. DHCS will continue to add the eligible hospitals to the Paragraph 3.A list to keep the list accurate.
 - 5) DHCS will promptly notify the hospital once it has approved or rejected the Request.
 - 6) Hospitals already on the Paragraph 3.A list that maintain their Paragraph 3.B obligations will not need to go through the Request process in Paragraph 3.C.
- D. If the CCS NICU-surgery approval/status of a hospital is revoked or otherwise terminated, then that hospital will not receive the Policy Adjustor – NICU Surgery, effective the date approval/status ceases. Removal from the Paragraph 3.A list for failure to meet CCS NICU-surgery standards is not a prerequisite to no longer qualify to receive the Policy Adjustor – NICU Surgery. Once the CCS NICU-surgery approval/status of a hospital on the Paragraph 3.A list is revoked or otherwise terminated, the hospital will subsequently be removed from the list. Being listed in the State Plan does not guarantee payment of the Policy Adjustor – NICU Surgery. In the event that a hospital remains listed, but has otherwise been deemed to have lost its neonatal surgery approval/status, it will not receive the Policy Adjustor – NICU Surgery. If a hospital went through the Section C process but loses the CCS NICU-surgery approval/status, then the hospital will not receive the Policy Adjustor – NICU Surgery effective the date of revocation or termination.