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State/Territory Name: California

State Plan Amendment (SPA) #: 18-037

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
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

September 17, 2018

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

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 18-0037, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 2, 2018. SPA 18-0037 allows the California Department of Health Care Services (DHCS) to sunset the current one percent payment reduction applicable to Home Health Agency (HHA) services and to increase reimbursement rates by 50 percent for state plan HHA services and certain Pediatric Day Health Center (PDHC) services effective July 1, 2018. The rate increase also will apply to HHA services under the approved 1915(i) home and community-based services SPA and the applicable 1915(c) Home and Community Based Services (HCBS) waivers.

The effective date of this SPA is July 1, 2018. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

- Attachment 4.19-B, page 3.4
- Attachment 4.19-B, page 20a

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.


Sincerely,

/s/

Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

cc: Lindy Harrington, DHCS
Connie Florez, DHCS
Nathaniel Emery, DHCS
Angeli Lee, DHCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 18-0037	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 July 1, 2018	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: Budget Act of 2018 42 CFR 447, Subpart F		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2017 2018 \$15,899,400	
		b. FFY 2018 2019 \$47,698,200	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 3.2-3.4 Attachment 4.19-B, page 20a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, page 3.2-3.4(TN: 08-009B1)- Attachment 4.19-B, page 20a (TN: 05-026)-	
10. SUBJECT OF AMENDMENT: Ends 1% reimbursement reduction for Home Health Agency (HHA) services and provides a rate increase for HHA and Pediatric Day Health Care services, effective July 1, 2018.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<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	
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		wish to review the State Plan Amendment.	
AGENCY OFFICIAL:  Mari Cantwell		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	
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: July 2, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: July 2, 2018		18. DATE APPROVED: September 17, 2018	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Hye Sun Lee		22. TITLE: Acting Associate Regional Administrator, Division of Medicaid & Children's Health Operations.	
23. REMARKS: Box 6 & 7: CMS made a pen & ink change to delete the state law reference & add the federal regulatory citation and correct Federal Fiscal Years (FFYs) per email with DHCS on 9/12/18. Box 8 & 9: CMS made pen & ink changes to correct the pages that were submitted and superseded and to delete references to previous SPAs. Note that only Att. 4.19-B, page 3.2 was submitted and will be superseded; CA never submitted pages 3.3 or 3.4 per emails with DHCS dated 7/16/18 and 9/14/18.			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: California

- (8) For dates of service on or after March 1, 2009, reimbursement for the following outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B are reduced by one percent:
- Any and all services provided and billed by Physicians and Clinics to beneficiaries less than age 21, as described in Attachment 3.1-A, sections 5a and 9.
 - Home health services, as described in Attachment 3.1-A, section 7 (refer to rates on page 20a in this Attachment).
 - For dates of service on or after July 1, 2018, the one percent reduction for home health services, as described in Attachment 3.1-A, section 7, is terminated and no longer applicable.
- (9) For dates of service on or after March 1, 2009, through and including May 31, 2011, reimbursement for outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B will be reduced by one percent. Providers and services subject to this reduction include:
- a. Any and all services provided and billed by Physicians and Clinics to beneficiaries aged 21 and older, as described in Attachment 3.1-A, sections 5a and 9.
 - b. Medical transportation (emergency and nonemergency), as described in Attachment 3.1-A, section 24a, and in Attachment 3.1-B, section 23a.
 - c. Services provided and billed by Optometrists, as described in Attachment 3.1-A, section 6b.
 - d. Services provided and billed by Dentists, as described in Attachment 3.1-A, section 10.
 - e. Providers and services included in Supplement 15 of this Attachment.
- (10) For dates of service on or after March 1, 2009, through and including April 5, 2009, and dates of service on or after January 1, 2011, through and including April 12, 2011, reimbursement for outpatient hospital services set forth in Attachment 3.1-A, section 2a, rendered in and billed by a hospital outpatient department, described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B, are reduced by one percent.

Reimbursement Rates for Home Health (HH) as defined under 1905(a)(7) and Rehabilitative Services - Pediatric Day Health Care Services as defined under 1905(a)(13)(C)

The State-developed fee schedule rates are the same for both public and private providers of Home Health and Pediatric Day Health Care (PDHC) services provided under Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. The rates in effect on June 30, 2018 for Home Health and PDHC services will be increased by 50 percent, effective July 1, 2018, as shown in the table below. This paragraph supersedes any prior provisions concerning reimbursement for Home Health and/or PDHC services in the State Plan. All Medi-Cal Fee-for-Service rates are published at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

Procedure Code	Medi-Cal Rate Effective July 1, 2018	Procedure Code	Medi-Cal Rate Effective July 1, 2018
Z5804	\$47.91	Z5834	\$44.12
Z5805	\$52.70	Z5835	\$48.53
Z5806	\$36.63	Z5836	\$68.15
Z5807	\$40.29	Z5838	\$28.35
Z5832	\$60.86	Z5840	\$53.66
Z5833	\$66.95	Z5868	\$44.12