



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



GAVIN NEWSOM  
GOVERNOR

June 29, 2020

Mr. James G. Scott, Director  
Division of Program Operations  
Medicaid and CHIP Operations Group  
Centers for Medicare & Medicaid Services  
601 East 12<sup>th</sup> Street, Suite 0300  
Kansas City, MO 64106-2898

STATE PLAN AMENDMENT 20-0012: STATE-OPERATED COMMUNITY CRISIS HOMES, STATE-OPERATED ENHANCED BEHAVIORAL SUPPORTS HOMES, AND STATE-OPERATED MOBILE CRISIS TEAMS

Dear Mr. Scott:

The California Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 20-0012 to the Centers for Medicare & Medicaid Services (CMS). This SPA proposes to amend the California Medicaid 1915(i) State Plan for the Developmentally Disabled to add a provider type and new rate methodologies for services for the developmentally disabled. DHCS seeks an effective date of May 1, 2020, for this SPA.

SPA 20-0012 adds the following:

- A State-Operated Mobile Crisis Team as a provider type under Behavioral Intervention Services. Mobile Crisis Teams provide crisis intervention services 24- hours a day to individuals at risk of being placed in more restrictive living environments. A State-Operated Mobile Crisis team will be staffed by State of California employees and provide services to individuals that have exhausted all other available crisis services. Crisis teams are unique in providing partnerships, assessments, training, and support to individuals experiencing crises and who are at risk of having to move from their own or family home or from an out-of-home placement to a more restrictive setting. Mobile crisis teams are available for deployment 24-hours a day, 7-days a week.
- A rate methodology for the State-Operated Mobile Crisis Team under Behavioral Intervention Services. As a rate methodology is already in place in the state plan for Crisis Teams operated by vendors, a new methodology has been incorporated to include crisis teams operated by State of California staff.

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- A rate methodology for State-Operated Community Crisis Homes under Behavioral Intervention Services. As a rate methodology is already in place in the state plan for Community Crisis Homes (CCHs) operated by vendors, a new methodology has been incorporated to include CCHs operated by State of California staff.
- A rate methodology for State-Operated Enhanced Behavioral Supports Homes (EBSHs) under Community Living Arrangement Services. As a rate methodology is already in place in the state plan for Crisis Teams operated by vendors, a new methodology has been incorporated to include EBSHs operated by State of California staff.

These providers operate under the section 1915(c) Developmental Disabilities Waiver (DD Waiver) and Section 1915(i) State Plan which is administered on behalf of DHCS by the Department of Developmental Services (DDS).

Enclosed you will find SPA 20-0012 Attachment 3.1-i and Attachment 4.19B pages and a copy of the public notice. DHCS posted the public notice on April 20, 2020, and no comments were received. A tribal notice is not required for this SPA.

If you have any questions please contact Ms. Evelyn Schaeffer, Chief, Integrated Systems of Care Division, at (916) 552-9105, or by email at [Evelyn.Schaeffer@dhcs.ca.gov](mailto:Evelyn.Schaeffer@dhcs.ca.gov).

ORIGINAL SIGNED

Jacey Cooper  
Chief Deputy Director  
Health Care Programs  
State Medicaid Director

Enclosures

cc: See Next Page

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cc: Ms. Anastasia Dodson  
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Mr. Aaron Toyama  
Senior Advisor  
Health Care Programs  
Department of Health Care Services  
[Aaron.Toyama@dhcs.ca.gov](mailto:Aaron.Toyama@dhcs.ca.gov)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 0 — 0 0 12

2. STATE

California

3. PROGRAM IDENTIFICATION:

Title XIX of the Social Security Act (Medicaid)

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

May 1, 2020

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

1915i of the Social Security Act

7. FEDERAL BUDGET IMPACT

a. FFY 2020 \$ 321,387

b. FFY 2021 \$ 1,285,549

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-i pages 31, 38a  
Attachment 4.19-B pages 73, 73a, 75c-d

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

Attachment 3.1-i pages 31  
Attachment 4.19-B pages 73, 73a, 75c-d

10. SUBJECT OF AMENDMENT

State-Operated Community Crisis Homes, State-Operated Enhanced Behavioral Supports Homes, and State-Operated Mobile Crisis Teams

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

GOVERNOR'S OFFICE REPORTED NO COMMENT

OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL  
ORIGINAL SIGNED

13. TYPED NAME  
Jacey Cooper

14. TITLE  
State Medicaid Director

15. DATE SUBMITTED  
June 29, 2020

16. RETURN TO

Department of Health Care Services  
Attn: Director's Office  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.

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quarter of 2017. These counties can be found here: [https://www.bls.gov/regions/west/news-release/countyemploymentandwages\\_california.htm](https://www.bls.gov/regions/west/news-release/countyemploymentandwages_california.htm).

Upon approval, these rates are available at the following link:

<https://www.dds.ca.gov/Rates/ReimbRates.cfm>.

At the end of this period, the rates will revert to those in effect for providers elsewhere in the state.

Chapter 28, Statutes of 2019 (SB 81, Committee on Budget and Fiscal Review), provided the Department of Developmental Services (DDS) with time-limited funding to provide rate increases for specified services effective January 1, 2020 through December 31, 2021. The rate increases shall be suspended at the end of this period unless certain conditions, specified in SB 81, apply. Information about those conditions can be found in the bill language in the following link:

[http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200SB81](http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB81)

Under section 4691.12(a)(2). The following chart with percentage increases for specified services receiving an increase can be found here:

[https://www.dds.ca.gov/VendorInfo/docs/Supplemental\\_Rate\\_Increases.pdf](https://www.dds.ca.gov/VendorInfo/docs/Supplemental_Rate_Increases.pdf).

The State will review rates for residential facilities set using the ARM methodology every three years to ensure that it complies with the statutory and regulatory requirements as specified under Section 1902(a)(30)(A). This will involve an analysis of the factors that have occurred since the ARM rates were initially developed, including changes in minimum wage and the general economy as measured through various indices such as Medicare Economic Index (MEI). The analysis will determine if the rates are consistent with the current economic conditions in the State while maintaining access to services. If this analysis reveals that the current rates may be excessive or insufficient when compared to the current economic conditions, the State will take steps to determine the appropriate reimbursement levels and update the fee schedule and State Plan. If the State determines that no rebasing is necessary, the State must submit documentation to CMS to support its decision.

**2) Out-of-State Rate Methodology** - This methodology is applicable for out-of-state residential providers. The rate paid is the established usual and customary rate for that service, paid by that State in the provision of that service to their own service population.

**3) Median Rate Methodology**- As described on pages 70-71, above. This methodology is used to determine the applicable monthly rate for Licensed/Certified Residential Services providers.

**4) Enhanced Behavioral Supports Homes (Vendor-Operated) Rate Methodology** - There are two components to the monthly rate for Enhanced Behavioral Supports Homes: 1) the facility component, and 2) the individualized services and supports component. The allowable costs used to calculate the facility component include payroll costs of facility staff and facility related costs such as lease, facility maintenance, repairs, cable/

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internet, etc. The allowable costs used to calculate the individualized services and supports component include the salaries, wages, payroll taxes, and benefits of individuals providing individualized services and supports and other consumer specific program costs. As part of the certification process for Enhanced Behavioral Support Homes (EBSHs), the Department reviews the proposed facility component rate and supporting documentation for each EBSH to determine if the included costs are reasonable and economical. These rates must be approved by the Department prior to the delivery of service at each EBSH.

**5) Enhanced Behavioral Supports Homes (State-Operated) Rate Methodology-** The allowable costs used to calculate the facility related costs including lease, facility maintenance, repairs, cable/internet, and services and supports, which include the salaries, wages, payroll taxes, and benefits of individuals providing individualized services and supports.

The state reviews submitted claims for the past fiscal year and determines the average cost of claims for that year. After state cost rates are established, claims are reconciled at the true cost of delivering the service. Costs are reimbursed if the final rate is higher than the interim rate or recouped if the final rate is lower than the interim rate. The state is responsible for reimbursing CMS for all FFP payments for all overpayments identified.

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2) **Median Rate Methodology** - As described on pages 70-71, above.

3) **DHCS Fee Schedules** - As described on page 70, above. The fee schedule rates for Non Facility-Based Behavior Intervention Services were set as of July 15, 2016 and are effective for services provided on or after that date. All rates are published at: [http://files.medical.ca.gov/pubsdoco/Rates/rates\\_download.asp](http://files.medical.ca.gov/pubsdoco/Rates/rates_download.asp)

**B. Crisis Intervention Facility** – The following five methodologies apply to determine the daily rates for these providers;

1) **Usual and Customary Rate Methodology** - As described on page 70, above. If the provider does not have a usual and customary rate, then rates are set using #2 below.

2) **Median Rate Methodology** - As described on pages 70-71, above, with the exception that the 2020 rate increase does not apply.

3) **Community Crisis Homes (Vendor-Operated) Rate Methodology** - There are three components to the monthly rate for Community Crisis Homes:

a. the facility component: the allowable costs used to calculate the facility component include payroll costs of facility staff and facility related costs such as lease, facility maintenance, repairs, cable/internet, etc.

b. the individualized services and supports component: the allowable costs used to calculate the individualized services and supports component include the salaries, wages, payroll taxes, and benefits of individuals providing individualized services and supports and other consumer specific program costs, and

c. the transition plan component: the allowable costs used to calculate the transition component includes the salaries, wages, payroll taxes and benefits of direct care staff providing additional services and supports needed to support a consumer during times of transition out of the CCH.

As part of the certification process for CCHs, the Department reviews the proposed facility component rate and supporting documentation for each CCH to determine if the included costs are reasonable and economical. These rates must be approved by the Department prior to the delivery of service at each CCH. Note: This is not the rate that is claimed for FFP. All claims for CCHs are validated in the waiver billing system to ensure the cost of room and board is excluded from the claim prior to claiming FFP. In California, the cost of room and board is less than or equivalent to the Supplemental Security Income/State Supplement Payment (SSI/SSP) amount. Rates for providers of CCHs include the amount for room and board and an additional amount for the provision of support services. Prior to claiming FFP, the amount of the claim is compared to the provider's rate to ensure that only the amount in excess of the SSI/SSP amount is claimed

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for FFP. For example, if a provider's rate is \$2,000/month, and the SSI/SSP amount equals \$960, the Waiver billing system will not process claims that are more than \$1,040 ( $\$2,000 - \$960 = \$1,040$ ).

**4) Community Crisis Homes (State-Operated) Rate Methodology** - The allowable costs used to calculate the rate are: salaries, wages, payroll taxes, and benefits of state staff providing services and supports, in addition to lease, facility maintenance, repairs, and cable/internet.

After the initial year of operation, the state will use cost information from the previous year to develop an interim rate for the subsequent year. At the end of each year, interim rate billing will be reconciled with actual billable costs for the year.

**5) Mobile Crisis Team (State-Operated) Rate Methodology** - The allowable costs included in this rate are: salaries, wages, payroll taxes, and benefits of state staff providing the services and supports, in addition to travel costs.

After the initial year of operation, the state will use cost information from the previous year to develop an interim rate for the subsequent year. At the end of each year, interim rate billing will be reconciled with actual billable costs for the year



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consumer's needs.		
<b>Verification of Provider Qualifications</b> (For each provider type listed above. Copy rows as needed):		
Provider Type (Specify):	Entity Responsible for Verification (Specify):	Frequency of Verification (Specify):
All Habilitation – Day Services providers	Regional centers, through the vendorization process, verify providers meet requirements/qualifications outlined in Title 17, CCR, § 54310 including the following, as applicable: any license, credential, registration, certificate, permit, or academic degree required for the performance or operation of the service; the staff qualifications and duty statements; and service design.	Verified upon application for vendorization and ongoing thereafter through oversight and monitoring activities.
Licensed Community Care Facilities	Department of Social Services – Community Care Licensing Division (DSS-CCLD) and regional centers	Annually
<b>Service Delivery Method.</b> (Check each that applies):		
<input checked="" type="checkbox"/> Participant-directed	<input checked="" type="checkbox"/> Provider managed	

<b>Service Specifications</b> (Specify a service title for the HCBS listed in Attachment 4.19-B that the State plans to cover):	
Service Title:	<b>Habilitation - Behavioral Intervention Services</b>
Service Definition (Scope):	

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<p>State-Operated Mobile Crisis Team</p>	<p>Licensed pursuant to Business and Professions Code as appropriate to the skilled professions staff assigned to the team.</p>	<p>Certified as appropriate to the skilled professions staff assigned to the team.</p>	<p>Program utilizes licensed and/or certified state personnel as appropriate to provide, develop and implement individualized crisis behavioral services plans. Specific qualifications and training of personnel per agency guidelines consistent with requirements for Behavioral Specialist I, Psychologist, Psychiatric Technician, Psychiatric Technician Instructor, and Registered Nurse.  This provider is authorized under WIC 4474.2.</p>
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