



Medicaid and CHIP Operations Group

September 18, 2026

Tyler Sadwith, State Medicaid Director
California Department of Health Care Services
1515 K Street
P.O. Box 997436, MS 0000
Sacramento, CA 95899-7437

RE: California Appendix K Amendment CA.0336.R05.44

Dear Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) is approving California's request to amend the Californians with Developmental Disabilities 1915(c) Home and Community-Based Services (HCBS) waiver in order to add an Emergency Preparedness and Response Appendix K in response to Palos Warehouse Fire. The CMS Control Number and the effective date for the amendment is listed below. Please use this number in future correspondence relevant to this waiver action.

- CA 0336.R05.44 (Palos Warehouse Fire): Effective from June 17, 2026, to July 17, 2026

This amendment adds an Appendix K to the waiver to allow the state to authorize retainer payments for the following services: Habilitation – Community Living Arrangement Services, Behavioral Intervention Services, and Day Services. The retainer payments authorized under this amendment apply to waiver participants impacted by the natural disaster noted above. We have included the approved Appendix K pages for this waiver with this correspondence. Please utilize the waiver management system for HCBS waivers for any further amendments to these waiver programs other than Appendix K.

Thank you for your cooperation during the review process. If you have any questions concerning this information, please contact me at (410) 786-7561. You may also contact Alice Hogan at Alice.Hogan@cms.hhs.gov or (404) 562-7432.

Sincerely,

A large black rectangular box redacting the signature of George P. Failla, Jr.

George P. Failla, Jr., Director
Division of HCBS Operations and Oversight

Enclosure

cc: Curtis Cunningham, MBHPG-DLTSS
Deanna Clark, MBHPG-DLTSS
Cynthia Nanes, MCOG-DHCBSO

APPENDIX K: Emergency Preparedness and Response

Background:

This standalone appendix may be utilized by the state during emergency situations to request amendment to its approved waiver. It includes actions that states can take under the existing Section 1915(c) home and community-based waiver authority in order to respond to an emergency. Other activities may require the use of various other authorities such as the Section 1115 demonstrations or the Section 1135 authorities.ⁱ This appendix may be completed retroactively as needed by the state.

Appendix K-1: General Information

General Information:

A. State: California

B. Waiver Title: HCBS Waiver for Californians with Developmental Disabilities

C. Control Number:

CA.0336.R05.44

D. Type of Emergency (The state may check more than one box):

☐	Pandemic or Epidemic
☒	Natural Disaster
☐	National Security Emergency
☐	Environmental
☐	Other (specify):

E. **Brief Description of Emergency.** *In no more than one paragraph each*, briefly describe the: 1) nature of emergency; 2) number of individuals affected and the state's mechanism to identify individuals at risk; 3) roles of state, local and other entities involved in approved waiver operations; and 4) expected changes needed to service delivery methods, if applicable. The state should provide this information for each emergency checked if those emergencies affect different geographic areas and require different changes to the waiver.

- 1) Palos Warehouse Fire began on June 17, 2026 in Los Angeles County. On June 20, 2026, California's Governor declared a State of Emergency in Los Angeles County in response to the Palos Warehouse Fire, which caused a substantial smoke plume necessitating a shelter-in-place throughout the County of Los Angeles, resulting in an imminent threat to life and safety.
- 2) It is anticipated that approximately 65,000 waiver participants were impacted, either directly or indirectly by the fire. However, there was no impact on the tribal population.
- 3) Regional Centers are assigned private agencies that are responsible for coordinating services for waiver consumers in the affected areas that impacted both consumers and providers.

4) This Appendix K is effective June 17, 2026. The purpose of this application is for absence billing directive during a State of Emergency.

**F. Proposed Effective Date: Start Date: June 17, 2026
Anticipated End Date: July 17, 2026.**

G. Description of Transition Plan.

All activities will take place in response to the impact of the fire as efficiently and effectively as possible based upon the complexity of the change. The event has concluded and operations will resume.

H. Geographic Areas Affected:

County of Los Angeles

I. Description of State Disaster Plan (if available) *Reference to external documents is acceptable:*

[California State Emergency Plan 2017](#)

Appendix K-2: Temporary or Emergency-Specific Amendment to Approved Waiver

Temporary or Emergency-Specific Amendment to Approved Waiver:

These are changes that, while directly related to the state's response to an emergency situation, require amendment to the approved waiver document. These changes are time limited and tied specifically to individuals impacted by the emergency. Permanent or long-ranging changes will need to be incorporated into the main appendices of the waiver, via an amendment request in the waiver management system (WMS) upon advice from CMS.

a. ___ Access and Eligibility:

i. ___ Temporarily increase the cost limits for entry into the waiver.

[Provide explanation of changes and specify the temporary cost limit.]

ii. ___ Temporarily modify additional targeting criteria.

[Explanation of changes]

b. ___ Services

i. ___ Temporarily modify service scope or coverage.

[Complete Section A- Services to be Added/Modified During an Emergency.]

ii. ___ Temporarily exceed service limitations (including limits on sets of services as described in Appendix C-4) or requirements for amount, duration, and prior authorization to address health and welfare issues presented by the emergency.

[Explanation of changes]

iii. ___ Temporarily add services to the waiver to address the emergency situation (for example, emergency counseling; heightened case management to address emergency needs; emergency medical supplies and equipment; individually directed goods and services; ancillary services to establish temporary residences for dislocated waiver enrollees; necessary technology; emergency evacuation transportation outside of the scope of non-emergency transportation or transportation already provided through the waiver).

[Complete Section A-Services to be Added/Modified During an Emergency]

iv. ___ Temporarily expand setting(s) where services may be provided (e.g. hotels, shelters, schools, churches) Note for respite services only, the state should indicate any facility-based settings and indicate whether room and board is included:

[Explanation of modification, and advisement if room and board is included in the respite rate]:

v. ___ Temporarily provide services in out of state settings (if not already permitted in the state's approved waiver). [Explanation of changes]

c. ___ Temporarily permit payment for services rendered by family caregivers or legally responsible individuals if not already permitted under the waiver. Indicate the services to which this will apply and the safeguards to ensure that individuals receive necessary services as authorized in the plan of care, and the procedures that are used to ensure that payments are made for services rendered.

d. ___ Temporarily modify provider qualifications (for example, expand provider pool, temporarily modify or suspend licensure and certification requirements).

i. ___ Temporarily modify provider qualifications.

[Provide explanation of changes, list each service affected, list the provider type, and the changes in provider qualifications.]

ii. ___ Temporarily modify provider types.

[Provide explanation of changes, list each service affected, and the changes in the provider type for each service].

iii. ___ Temporarily modify licensure or other requirements for settings where waiver services are furnished.

[Provide explanation of changes, description of facilities to be utilized and list each service provided in each facility utilized.]

e. ___ Temporarily modify processes for level of care evaluations or re-evaluations (within regulatory requirements). [Describe]

f. ___ Temporarily increase payment rates

[Provide an explanation for the increase. List the provider types, rates by service, and specify whether this change is based on a rate development method that is different from the current approved waiver (and if different, specify and explain the rate development method). If the rate varies by provider, list the rate by service and by provider].

g. ___ Temporarily modify person-centered service plan development process and individual(s) responsible for person-centered service plan development, including qualifications.

[Describe any modifications including qualifications of individuals responsible for service plan development, and address Participant Safeguards. Also include strategies to ensure that services are received as authorized.]

h. ___ Temporarily modify incident reporting requirements, medication management or other participant safeguards to ensure individual health and welfare, and to account for emergency circumstances. [Explanation of changes]

i. ___ Temporarily allow for payment for services for the purpose of supporting waiver participants in an acute care hospital or short-term institutional stay when necessary supports (including communication and intensive personal care) are not available in that setting, or when the individual requires those services for communication and behavioral stabilization, and such services are not covered in such settings.
[Specify the services.]

j. ☒ Temporarily include retainer payments to address emergency related issues.

[Describe the circumstances under which such payments are authorized and applicable limits on their duration. Retainer payments are available for habilitation and personal care only.]

Retainer payments are available for providers of the following waiver services, which include components of personal care:

Habilitation – Community Living Arrangement Services
Behavioral Intervention Services
Day Services

Retainer payments are available only for when the waiver participant is absent (maximum of 30 consecutive days) during the time of the emergency in excess of the average number of absences experienced between the participant and provider during the 12-month period prior to June 2026.

Retainer payments will be utilized exclusively according to the purpose for which they were authorized. Providers may only claim one retainer payment for any state of emergency time period.

Note: Pursuant to California Code of Regulations 51535(a)(3), payments may be made to a skilled nursing facility for a maximum of 30 days for patients who are on approved leave of absence.

k. ___ Temporarily institute or expand opportunities for self-direction.

[Provide an overview and any expansion of self-direction opportunities including a list of services that may be self-directed and an overview of participant safeguards]

l. ___ Increase Factor C.

[Explain the reason for the increase and list the current approved Factor C as well as the proposed revised Factor C]

m. ___ Other Changes Necessary [For example, any changes to billing processes, use of contracted entities or any other changes needed by the State to address imminent needs of individuals in the waiver program]. [Explanation of changes]

Contact Person(s)

A. The Medicaid agency representative with whom CMS should communicate regarding the request:

First Name: James “Jake”
Last Name Johnson
Title: Chief
Agency: CA Department of Health Care Services
Address 1: 1515 K Street
Address 2: P.O. Box 997436
City Sacramento
State CA
Zip Code 95899-7437
Telephone: 916-713-8150
E-mail james.johnson@dhcs.ca.gov
Fax Number N/A

B. If applicable, the State operating agency representative with whom CMS should communicate regarding the waiver is:

First Name: Jonathan
Last Name Hill
Title: Branch Manager
Agency: CA Department of Developmental Services
Address 1: 1215 O Street, MS 7-40

Address 2:

City Sacramento
State CA
Zip Code 95814
Telephone: 916-653-4541
E-mail Jonathan.hill@dds.ca.gov
Fax Number N/A

8. Authorizing Signature

Signature:**Date:**

State Medicaid Director or Designee

First Name: Tyler
Last Name Sadwith
Title: State Medicaid Director
Agency: CA Department of Health Care Services
Address 1: 1501 Capitol Avenue
Address 2: P.O. Box 99713, MS 0000
City Sacramento
State CA
Zip Code 95899-7400
Telephone: 916-449-7400
E-mail Tyler.sadwith@dhcs.ca.gov
Fax Number 916-449-7404

Section A---Services to be Added/Modified During an Emergency

Complete for each service added during a time of emergency. For services in the approved waiver which the state is temporarily modifying, enter the entire service definition and highlight the change. State laws, regulations and policies referenced in the specification are readily available to CMS upon request through the Medicaid agency or the operating agency (if applicable).

Service Specification					
Service Title:					
<i>Complete this part for a renewal application or a new waiver that replaces an existing waiver. Select one:</i>					
Service Definition (Scope):					
Specify applicable (if any) limits on the amount, frequency, or duration of this service:					
Provider Specifications					
Provider Category(s) (check one or both):	☐	Individual. List types:		☐	Agency. List the types of agencies:
Specify whether the service may be provided by (check each that applies):		☐	Legally Responsible Person	☐	Relative/Legal Guardian
Provider Qualifications (provide the following information for each type of provider):					
Provider Type:	License (specify)	Certificate (specify)	Other Standard (specify)		
Verification of Provider Qualifications					
Provider Type:	Entity Responsible for Verification:			Frequency of Verification	
Service Delivery Method					
Service Delivery Method (check each that applies):	☐	Participant-directed as specified in Appendix E		☐	Provider managed



ⁱ Numerous changes that the state may want to make necessitate authority outside of the scope of section 1915(c) authority. States interested in changes to administrative claiming or changes that require section 1115 or section 1135 authority should engage CMS in a discussion as soon as possible. Some examples may include: (a) changes to administrative activities, such as the establishment of a hotline; (b) suspension of general Medicaid rules that are not addressed under section 1915(c) such as payment rules or eligibility rules or suspension of provisions of section 1902(a) to which 1915(c) is typically bound.