DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850

NOV 28 2014

Toby Douglas
Director, Department of Health Care Services
1501 Capital Ave, MS 0000
P.O. Box 997413
Sacramento, CA 99859-7413

Dear Mr. Douglas:

I am writing to inform you that the Centers for Medicare & Medicaid Services has approved your requests to amend California's section 1115(a) demonstration (11-W-00193/9), entitled "California Bridge to Reform Demonstration," to extend the Community-Based Adult Services (CBAS) program and to enroll Seniors and Persons with Disabilities (SPD) in managed care models in rural counties. Approval of these amendments is under the authority of section 1115(a) of the Social Security Act, and is effective from the date of this letter through the end of the demonstration period.

The CBAS amendment enables the state to continue providing the CBAS adult day health benefits through a managed care plan to Medi-Cal beneficiaries (including dual eligibles) who are found to meet a Nursing Facility level of care, including individuals with mental illness, traumatic brain injury, or developmental disabilities. To ensure meaningful access to CBAS services, plan payments must be sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services were available to the respective Medi-Cal population as of April 1, 2012. As provided in the Special Terms and Conditions, the state will monitor access to and utilization of CBAS services received by beneficiaries. As we discussed, we will work with you to strengthen the program integrity oversight of the delivery of these important services, coordination with Medicare benefits and with other providers, and assuring the continued availability of CBAS to beneficiaries. This amendment will allow the state to continue to provide unbundled services to the CBAS population. As noted in our temporary extension approval letter on August 1, 2014, this extension does not include the Enhanced Case Management (ECM) benefit. The end date for ECM was August 31, 2014.

The SPD amendment authorizes the expansion of the demonstration's managed care models to nineteen (19) rural counties for SPD beneficiaries, beginning on December 1, 2014. The revised special terms and conditions (STCs) describe notice requirements and monitoring standards to help ensure a smooth transition of these beneficiaries from fee-for-service to managed care.

CMS approval of this California Bridge to Reform demonstration amendment is conditioned on continued compliance with the enclosed set of STCs defining the nature, character, and extent of anticipated federal involvement in the project. The award is subject to your written acknowledgement of the award and acceptance of the STCs within 30 days of the date of this letter.

A copy of the revised STCs and the expenditure authorities is enclosed. The waivers for this demonstration are unchanged by this amendment, and remain in force; a copy of the waiver list is also enclosed.

Your project officer for this demonstration is Ms. Mehreen Hossain. She is available to answer any questions concerning your section 1115 demonstration and this amendment. Ms. Hossain's contact information is:

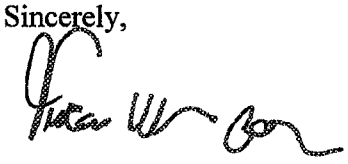
Center for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-0938
Facsimile: (410) 786-5882
E-mail: Mehreen.Hossain@cms.hhs.gov

Official communications regarding official matters should be sent simultaneously to Ms. Hossain and Ms. Hye Sun Lee, Acting Associate Regional Administrator for the Division of Medicaid and Children's Health in our San Francisco Regional Office. Ms. Lee's contact information is as follows:

Ms. Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

If you have any questions regarding this approval, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Centers for Medicaid & CHIP Services at (410) 786-5647.

Sincerely,



Cindy Mann
Director