



Disabled & Elderly Health Programs Group

JUL 11 2013

Mr. Toby Douglas, Director
California Department of Health Care Services
1501 Capitol Avenue, 6th Floor, MS 0000
Sacramento, CA 95814

RE: Implementation of Section 1202 of the Affordable Care Act Primary Care Payment Increase

Dear Mr. Douglas:

The Centers for Medicare & Medicaid Services (CMS) has reviewed California's methodologies submitted on March 28, 2013 and revised on June 13, 2013, and finds them compliant with the requirements outlined in 42 C.F.R. §438.804(a)(1)(i)-(ii) for purposes of implementing the increase in primary care physician payments in a managed care delivery system.

As California has elected to include the enhanced primary care payments prospectively in its MCO capitation rates, the following must be submitted to CMS for review and approval to authorize Federal Financial Participation (FFP) for these payments:

1. Contract amendment(s) to ensure compliance with 42 C.F.R. §438.6(c)(5)(vi); and
2. Revised actuarial certification documents reflecting the Medicare rate for eligible primary care services in their MCO, PIHP or PAHP capitation rates.

If you require additional technical assistance to complete the implementation process for this provision, please contact Carolyn Kenline in the San Francisco Regional Office at (415) 744-3591 or Nicole Kaufman in the Central Office at (410) 786-6604. In addition, questions may be submitted to CMCSPPACAQuestions@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Klimon".

Nancy Klimon, DrPH
Director, Division of Integrated Health Systems

cc: Don Novo
Carolyn Kenline
Tom Schenck
Tyler Sadwith
Nicole Kaufman
Jonathan Wunderlich
Stuart Busby
Margaret Liston