



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

April 14, 2008

David Sprenger, M.D.
Chief Medical Officer
California Area Indian Health Service
650 Capitol Mall, Suite 7-100
Sacramento, CA 95814

Dear Dr. Sprenger:

The State of California, Department of Health Care Services (DHCS) is requesting renewal of its Superior Systems Waiver with the federal Centers for Medicare & Medicaid Services (CMS). The requested term of the renewal is June 11, 2008 through June 10, 2010.

The Superior Systems Waiver was designed to allow California's Fee-for-Service (FFS) Medi-Cal Utilization Review (UR) Program to control unnecessary and excessive use of Fee-for-Service (FFS) acute inpatient services. When a hospital wants authority to bill for an acute day for a Medi-Cal beneficiary, a Treatment Authorization Request (TAR) form is completed and submitted to the local Medi-Cal Field Office for review. This form must include beneficiary identification information, the provider of service, and the address of the provider. In addition, medical information must include the current diagnosis, current clinical conditions, functional limitations, relevant medical history, and medical justification for the number of acute inpatient days required. The provider must also submit any additional documentation that substantiates medical necessity for inpatient services.

The Medi-Cal UR Program exceeds the Federal UR method established in Title 42, Code of Federal Regulations (CFR), Section 456. All acute inpatient days of a hospital admission are reviewed. State-employed Medical Consultants and/or Nurse Evaluators are used by the Medi-Cal Field Offices to provide the reviews instead of hospital UR committees. Approval is based on medical necessity. Through the use of the Superior Systems Waiver, California is able to ensure that medically necessary acute inpatient services are being provided while maintaining fiscal responsibility for the federal funds received.

Pursuant to the State Medicaid Director Letter #01-024, dated July 17, 2001, DHCS must advise and seek consultation from federally recognized Tribal governments in the planning and development of Medicaid waivers and their renewal. Information has been sent to each tribal office in California but we would like to request the assistance of the

California Area Indian Health Service to post the attached information on your website in order to ensure communication in as many ways as possible to the Tribes and organizations.

We are requesting that Tribal governments review the proposed waiver and provide written or electronic comments regarding the waiver renewal, no later than thirty days from the date of this letter, to Mr. Joe Perez via e-mail at Joe.Perez@dhcs.ca.gov, or by mail to the following address:

Mr. Joe Perez, Chief
Field Operations Support Branch
Utilization Management Division
Department of Health Care Services
P.O. Box 997419, MS 4500
Sacramento, CA 95899-7419

Any questions prior to submittal of comments may be addressed to Mr. Joe Perez at (916) 552-9238.

Thank you for your assistance in this effort.

Sincerely,



Ms. Beth Fife, Chief
Utilization Management Division
Department of Health Care Services

cc: Nancy Hutchison
Safety Net Financing Division
Department of Health Care Services
P.O. Box 997419, MS 4500
Sacramento, CA 95899