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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 7@ CONSTRUCTION/RENOVATION REIMBURSEMENT PROGRAM

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Article 3@ STANDARDS FOR SUPPLEMENTAL REIMBURSEMENT

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Section 57036@ Reimbursement Provisions

57036 Reimbursement Provisions

(a)

If an eligible hospital's capital expenditure project has been certified pursuant to section 57030 and if appropriations for supplemental reimbursement of capital expenditure projects are available, supplemental reimbursement to the eligible hospital shall commence no later than 30 days after the department's receipt of the certificate of occupancy for the hospital's capital expenditure project issued by the Office of Statewide Health Planning and Development. (1) In cases where the hospital must obtain a certificate of occupancy, the Department shall not be required to reimburse for debt service prior to its receipt of the certificate of occupancy. (2) The frequency of the supplemental reimbursement shall correspond to the bond repayment schedule, but in no case shall the hospital be reimbursed more than twice per fiscal year. (3) Supplemental reimbursement combined with reimbursement from all other sources dedicated exclusively for debt service shall be limited to no more than 100% (percent) of the debt service.

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repayment schedule, but in no case shall the hospital be reimbursed more than twice per fiscal year.

(3)

Supplemental reimbursement combined with reimbursement from all other sources dedicated exclusively for debt service shall be limited to no more than 100% (percent) of the debt service.

(b)

Interest income realized from unexpended revenue bond funds shall reduce the reimbursement obligation under this section by the percentage figure derived from section 57033(a)(3).

(c)

The information required by section 57033(a)(1) shall be reported separately for each hospital facility that is being constructed, renovated or replaced by the capital expenditure project.

(d)

An eligible hospital receiving supplemental reimbursement pursuant to this section shall be liable for any reduced federal financial participation resulting from the Department's payment of supplemental reimbursement under this section. (1) The Department shall offset any reduced federal financial participation against reimbursement otherwise due the eligible hospital either under this chapter or for services provided under the California Medical Assistance Program. (2) The Department shall not deliver to the eligible hospital the amount of the federal financial participation in the debt service until the federal government approves federal financial participation for supplemental reimbursement made under this chapter and thereby supplements the Medicaid grant award for the Medi-Cal program.

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(e)

The Department may conduct periodic audits to determine if all requirements under this chapter have been met. (1) Supplemental reimbursement made to eligible hospitals shall be subject to change based on final calculations when final Medi-Cal utilization data becomes available. (2) If the final Medi-Cal utilization data, indicates that a hospital was not, in fact, a disproportionate share provider for the time period in which supplemental reimbursement was made, the hospital shall be obligated to return such supplemental reimbursements to the State. (3) If the final Medi-Cal utilization data indicates that a hospital was either overpaid or underpaid, the Department shall make an adjustment to amounts the Department would otherwise pay to the hospital by reducing or augmenting the current supplemental reimbursement otherwise due under this chapter or due for services provided under the California Medical Assistance Program.

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(f)

As a condition of receiving supplemental reimbursement, the eligible hospital shall keep, maintain, and have readily retrievable, such records as are necessary to fully disclose supplemental reimbursement amounts to which the hospital is entitled.