



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



GAVIN NEWSOM
GOVERNOR

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Subject: **DHCS Announces New Program to Enhance Hospital Capacity Amid COVID-19 Surge**

On November 25, 2020, the Centers for Medicare & Medicaid Services (CMS) announced an expansion of the [Hospital Without Walls](#) initiative to include the Acute Hospital Care at Home program. The intent of this program is to increase hospital capacity by allowing patients to be seen outside of a traditional hospital setting, while also protecting patients to ensure that they are treated appropriately and safely in home settings during the COVID-19 public health emergency.

The Acute Hospital Care at Home program clearly differentiates the delivery of acute hospital care at home from more traditional home health services, which provides skilled nursing and other skilled care services at a beneficiary's home. In contrast, the Acute Hospital Care at Home is for patients who require acute inpatient admission to a hospital and require at least daily rounding by a physician and a medical team monitoring their care needs on an ongoing basis. Acute hospital care at home services provide health care to acutely ill patients in their homes by using methods that include telehealth, remote monitoring, and regular in-person visits by nurses.

Hospitals interested in this program need to apply directly with CMS for the waiver at <https://qualitynet.cms.gov/acute-hospital-care-at-home> to submit the necessary information to ensure they meet the program's criteria to participate. CMS will closely monitor the program, to safeguard beneficiaries, by requiring hospitals to report quality and safety data to CMS on a frequency that is based on their prior experience with the Hospital At Home model.

General acute care hospitals (GACH) are required to coordinate with the California Department of Public Health (CDPH) to operate under the state's emergency preparedness or pandemic plan during this PHE to help meet surge needs in their community. Hospitals must meet state licensure requirements for GACHs and receive program flexibility from CDPH for any requirement that will be met using an alternative method as indicated under the Program Flex heading. In addition to receiving approval from CMS, **a hospital seeking to offer acute hospital care at home services may not begin providing this service until it has also received approval from CDPH.**

Medi-Cal will pay hospitals for acute inpatient care in both fee-for-service and managed care for Medi-Cal beneficiaries who receive care under this program. Managed care plans (MCPs) must authorize and reimburse hospitals providing inpatient acute care

services at-home through the Acute Hospital Care at Home program at the same rate they would if the services were provided in a traditional hospital setting. DHCS will reimburse fee-for-service care as if the services were provided in a traditional hospital setting, following current payment authorization processes and reimbursement methodologies.

For Medi-Cal enrolled hospitals participating in the program, MCPs are responsible for knowing each participating hospital's waiver authorities and for authorizing members to receive acute care inpatient services at home as medically appropriate. MCPs are responsible for tracking each hospital's approved waiver. MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters. Each MCP must communicate these requirements to all subcontractors and network providers.

Currently, CMS has approved Adventist Health for Hospital at Home services in California for hospitals located in Bakersfield, Glendale, Ukiah and Simi Valley. Additionally, Adventist Health is awaiting federal approval for hospitals in Boyle Heights and Marysville. In addition, the University of California, Irvine Health is in the process of applying to CMS and CDPH for the program.

Providers are also encouraged to review [All Facility Letter 20-90](#), published by the California Department of Public Health, for program flexibility requirements before providing acute hospital care at home services. DHCS will publish additional information on the [DHCS COVID-19 Response](#) webpage and [webpage for All Plan Letters](#) in the future regarding program operations and approved providers of the Acute Hospital Care at Home services.

For additional COVID-19 information and resources, we encourage you to review the following resources:

- covid19.ca.gov/
- [DHCS COVID-19 Response](#)
- [Latest news from California Department of Public Health \(CDPH\) about COVID-19 || En Español](#)
- [CDPH Testing categories](#)
- [U.S. Food & Drug Administration FAQs on Diagnostic Testing for COVID-19](#)
- <https://www.medicaid.gov/state-resource-center/downloads/covid-19-fags.pdf>