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State/Territory Name: CA

State Plan Amendment (SPA) #: 22-0010

This file contains the following documents in the order

- listed:
- 1) Approval Letter
 - 2) CMS 179 Form/Summary Form (with 179-like data)
 - 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Center for Medicaid & CHIP Services

233 North Michigan Ave., Suite 600

Chicago, Illinois 60601



Financial Management Group

February 1, 2023

Jacey Cooper

Chief Deputy Director, Health Care Programs

California Department of Health Care Services

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

RE: TN 22-0010

Dear Ms. Cooper:

We have reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-22-0010, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 28th, 2022. This SPA amends the reimbursement methodology for bio-engineered substitutes (skin graft) to the lower of the amount billed, the charge to the general public, or 100 percent of corresponding Medicare Average Sales Price (ASP) rate.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1st, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or blake.holt@cms.hhs.gov.

Sincerely,

[Redacted Signature]

Todd McMillion

Director

Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 0

2. STATE

CA

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447, Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 118,000 \$117,816
b. FFY 2023 \$ 157,000 \$157,088

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B Page 3M

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

None

9. SUBJECT OF AMENDMENT

SPA 22-0010 Bio-Engineered Skin Substitutes (Skin Graft), Reimbursement Methodology for Bio-Engineered Skin Substitutes (Skin Graft) Codes

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review the State Plan Amendment.

AGENCY OFFICIAL

15. RETURN TO

Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

12. TYPED NAME

Jacey Cooper

13. TITLE

State Medicaid Director

14. DATE SUBMITTED

March 28, 2022

FOR CMS USE ONLY

16. DATE RECEIVED

March 28, 2022

17. DATE APPROVED

February 1, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

1/23/2023: state concurs with pen and ink change to Box 6: FY22 from "\$118,000" to "\$117,816" and FFY 23 from "157,000" to "157,088."

STATE PLAN UNDER TITLE XIX OF SOCIAL SECURITY ACT
STATE: California

REIMBURSEMENT METHODOLOGY FOR BIO-ENGINEERED SUBSTITUTE
(SKIN GRAFT) CODES

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1. Notwithstanding any other provision of this Attachment, the methodology utilized by the State Agency in establishing reimbursement rates for bio-engineered substitutes (skin graft), as described in State Plan Attachment 3.1-A and 3.1-B, will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
 - a. For dates of service on or after January 1, 2022, the reimbursement rates shall be the lowest of the following:
 - i. the amount billed
 - ii. the charge to the general public
 - iii. the rate in effect on the Medi-Cal Fee schedule for the current rate year, which shall be the lowest of the following:
 1. the rate in effect on the Medi-Cal Fee schedule as of December 31 of the preceding rate year.
 2. 100 percent of the corresponding lowest maximum Medicare Average Sales Price (ASP) rate, for the same or similar service provided in the current rate year.
 - a. The rate described in paragraph 1.a.iii.2 may be adjusted to keep the Medi-Cal rate below 100 percent of the lowest maximum allowance established by the federal Medicare program, if in calculating the Medi-Cal rate, the conversion indicator or conversion factor used to calculate a unit value results in a rate greater than 100 percent.
 - b. The ten percent payment reduction included in paragraph (13) on page 3.3 of this Attachment, shall apply to the services described in this section.

TN: 22-0010
Supersedes
TN: 22-0013

Approval Date: February 1, 2023 Effective Date: January 1, 2022