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State/Territory Name: CA

State Plan Amendment (SPA) #: 22-0013

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

June 23, 2022

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 22-0013

Dear Ms. Cooper:

We have reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-22-0013, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 28, 2022. This SPA updates the methodology for establishing reimbursement rates for non-institutional services.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 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,

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 <u>2 2</u> — <u>0 0 1 3</u>	2. STATE <u>CA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> 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
[Title 42 CFR 447 Subpart F](#)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY N/A \$ 0
b. FFY N/A \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B page 1, 3M, 3N, 3O, 3P

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B page 1

9. SUBJECT OF AMENDMENT
Amendment to the Reimbursement Methodology for Non-Institutional Services

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.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Jacey Cooper

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
March 28, 2022

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

FOR CMS USE ONLY

16. DATE RECEIVED March 28, 2022	17. DATE APPROVED June 23, 2022
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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 McMiliion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS
6/21/22: State concurs with pen and ink change to Box 7, adding "Pages 3M, 3N, 3O, and 3P."

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

- A. Non-institutional services for governmental and private providers listed in Supplement 17 of Attachment 4.19-B are reimbursed the same using the methodology set forth in paragraph (C).
- B. The State Agency's rates for non-institutional services listed in Supplement 17 are were posted as of January 1, 2022 and are effective for dates of services on or after that date. The rates for these services are posted on the Medi-Cal Rates website at: <https://files.medi-cal.ca.gov/rates/rateshome.aspx>.
- C. The policy of the State Agency is that reimbursement for each of the other types of care or service listed in Section 1905(a) of the Act that are included in the program under the plan will be at the lesser of usual charges or the limits specified in the California Code of Regulations (CCR), Title 22, Division 3, Chapter 3, Article 7 (commencing with Section 51501) and CCR, Title 17, Chapter 4, Subchapter 13, Sections 6800-6874, for EPSDT health assessment services, or as specified by any other means authorized by state law.
1. Establishing payment rates may include the following:
 - a) The development of an evidentiary base or rate study resulting in the determination of a proposed rate, which may include pertinent input from the public.
 - b) To the extent required by State or Federal law or regulations, the presentation of the proposed rate at public hearing to gather public input to the rate determination process.
 2. Effective January 1, 2022, the methodology utilized by the State Agency in establishing payment rates will be as follows:
 - a) 80 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar item or service.
 - i. The rate described in paragraph C.2.a may be adjusted to keep the Medi-Cal rate at 80 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 80 percent.

TN: 22-0013
Supersedes
TN: 21-0028

Approval Date: June 23, 2022 Effective Date: January 1, 2022

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

Reserved for future use

TN: 22-0013
Supersedes
TN: N/A

Approval Date: June 23, 2022 Effective Date: January 1, 2022

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

Reserved for future use

TN: 22-0013
Supersedes
TN: N/A

Approval Date: June 23, 2022 Effective Date: January 1, 2022

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

Reserved for future use

TN: 22-0013
Supersedes
TN: N/A

Approval Date: June 23, 2022 Effective Date: January 1, 2022

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: CALIFORNIA

REIMBURSEMENT METHODOLOGY FOR
LICENSED PHARMACISTS SERVICES

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1. Notwithstanding any other provision in this Attachment, the methodology utilized by the State Agency in establishing reimbursement rates for Licensed Pharmacists Services, as described in Limitations on State Plan Attachment 3.1-A pages 12a.7 through 12a.7a and Limitations on State Plan Attachment 3.1-B pages 12a.7 through 12a.7a, will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
- a. Licensed Pharmacists Services, other than Medication Therapy Management (MTM) Services, are reimbursed at 85 percent of the current Medicare fee schedule. Payment for Licensed Pharmacist Services, including Pharmacist delivered MTM, does not include dispensing services outlined in Supplement 2 to Attachment 4.19-B.
 - i. Reimbursement rates for MTM Services are set as of July 1, 2021 and are effective for services provided on or after that date. All rates for MTM Services with the associated Current Procedural Terminology (CPT) billing codes are shown in the table below:

CPT Code	CPT Code Description	Reimbursement Rate
99605	Medication therapy management service(s) provided by pharmacist, individual, face-to-face with patient, with assessment and intervention if provided; new patient visit, initial 15 minutes	\$ 43.00
99606	Medication therapy management service(s) provided by pharmacist, individual, face-to-face with patient, with assessment and intervention if provided; established patient visit, initial 15 minutes	\$43.00
99607	Add-on code for each additional 15-minute increment	\$32.00

TN: 22-0013
Supersedes
TN: NONE

Approval Date: June 23, 2022

Effective Date: January 1, 2022