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State/Territory Name: CA

State Plan Amendment (SPA) #: 22-0039

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

December 16, 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 22-0039

Dear Ms. Cooper:

We have reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-22-0039, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 26, 2022. This SPA exempts specified providers from the reduction specified in paragraphs (6) through (13), set forth on pages 3.1 through 3.4 of Attachment 4.19-B. In addition, NEMT base rates and supplemental payments are adjusted to maintain reimbursement levels following their exemption from the reduction.

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

2 2 — 0 0 3 9

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

July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

Title 42 CFR 447 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 2,657,000
b. FFY 2023 \$ 10,628,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B pages 3.4, 3.4a, 3.5, 3d, 3L, 3R
Supplement 15 to Attachment 4.19-B, page 1
Supplement 34 to Attachment 4.19-B, page 2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B pages 3.4, 3.5, 3d, 3L
Attachment 4.19-F
Supplement 15 to Attachment 4.19-B, pages 1-2
Supplement 34 to Attachment 4.19-B, page 2

9. SUBJECT OF AMENDMENT

To exempt certain services and providers from the Assembly Bill 97 Payment Reductions and to increase rates for Non-Emergency Medical Transportation 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
September 26, 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
September 26, 2022

17. DATE APPROVED
December 16, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 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

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

- (14) The payment reductions specified in paragraphs (6) through (13) do not apply to supplemental payments and only apply to the basic Medi-Cal reimbursement rate.
- (15) The payment reductions specified in paragraphs (6) through (13) apply only to those services described in Attachment 3.1-A entitled, Amount, Duration, and Scope of Medical and Remedial Care and Service- Provided to the Categorically Needy and Attachment 3.1-8 entitled, Amount, Duration and Scope of Services Provided Medically Needy Group(s), which are billed to the Department directly by the provider that rendered the service.
- (16) The payment reductions specified in paragraphs (6) through (13), set forth on pages 3.1 through 3.4 do not apply to the following provider types and services:
- Federally qualified health center services, described in Attachment 3.1-A, sections 2c and 2d, including those facilities deemed to have federally qualified health center status pursuant to a waiver under subdivision (a) of Section 1115 of the federal Social Security Act.
 - Rural health clinic services, as described in Attachment 3.1-A, section 2b.
 - Payments to facilities owned or operated by the State Department of Mental Health for psychology services, as defined in Attachment 3.1-A, section 6d.1 or to the State Department of Developmental Services for targeted case management services, as defined in Attachment 3.1-A, section 19.
 - Services provided by local education agencies, as described in Attachment 3.1- A, section 24g, and Attachment 3.1-8, section 23g.
 - Breast and cervical cancer treatment services, including but not limited to diagnostic, screening, and treatment services related to breast and cervical cancer, as described in Attachment 3.1-A, sections 2a and Sa.
 - Family planning services and supplies, as described in Attachment 3.1-A, item 4c, provided by the Family Planning, Access, Care, and Treatment (Family PACT) Program.
 - Hospice services, as described in Attachment 3.1-A, section 18.
 - For dates of service on or after January 1, 2022, durable medical equipment classified as complex rehabilitation technology and complex rehabilitation technology services, as described in Attachment 3.1-A, sections 2.a - 2.d under "Outpatient hospital services," and section 7.c under "Medical supplies, equipment, and appliances suitable for use in the home."
 - For dates of services on or after July 1, 2022, the following services are exempt from the payment reductions specified in paragraphs (6) through (13):

- Nurses, including certified nurse-midwives, nurse anesthetists, certified pediatric nurse practitioners, certified family nurse practitioners, and group certified pediatric nurse practitioners.
- Alternative Birthing Centers
- Audiologists/hearing aid dispensers
- Respiratory care providers
- Durable Medical Equipment (DME)
- Chronic dialysis clinics
- Emergency medical air transportation services
- Non-emergency medical transportation services
- Doula services
- Community health worker services
- DME and related supplies or accessories, that is a continuous glucose monitoring system or continuous glucose monitoring system supplies and accessories
- Physician services and services by other licensed practitioners delivered via remote patient monitoring (RPM)
- Asthma prevention services
- Dyadic services
- Medication therapy management services
- Clinical laboratory services, that are 2019 novel coronavirus disease (COVID-19) diagnostic testing or specimen collection services
- Blood Banks
- Occupational Therapy
- Orthotists
- Psychologists
- Medical Social Work or Medical Social Services
- Speech pathologists
- Outpatient heroin detoxification services
- Dispensing opticians
- Optometrists, including optometry groups
- Acupuncturist
- Portable imaging services
- The following primary care or specialty clinics:
 - Community clinics
 - Free clinics
 - Surgical clinics
 - Rehabilitation clinics
 - Clinics exempt from licensure under Section 1206 of the Health and Safety Code, including non-hospital county-operated community clinics.
- Services provided under the California Children's Services Program and under the Genetically Handicapped Persons Program
- For dates of services on or after January 1, 2023, the following services are exempt from the payment reductions specified in paragraphs (6) through (13):
 - Podiatrists
 - Prosthetists

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

- (17) The effect of the payment reductions in paragraphs (6) through (13) will be monitored in accordance with the “Fee-For-Service Medi-Cal Program Health Care Access Monitoring Plan” that is published at https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Access_Pub_Notice.aspx.
- (18) For dates of service on or after April 1, 2012, the payment reductions specified in paragraph (13), at page 3.3, do not apply to Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services, as described in Attachment 3.1-A, section 4b, when those services are provided and billed by Pediatric Day Health Care facilities.
- (19) For dates of service on or after October 20, 2012, the payment reduction specified in paragraph (13), set forth on page 3.3, does not apply to audiology services, as described in Attachment 3.1-A, section 11c (entitled, “Amount, Duration and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy”), when those services are provided by a Type C Communication Disorder Center located in California counties of Alameda, San Benito, Santa Clara, Santa Cruz, San Francisco, and Sonoma. A Type C Communication Disorder Center is an identified team in a health care provider office or facility capable of providing audiological evaluation, hearing aid evaluation and speech-language remediation, comprehensive assessment and aural rehabilitative management to children of all ages.
- (20) For dates of service on or after August 31, 2013, the payment reduction specified in paragraph (13), set forth on page 3.3, will not apply to nonprofit dental pediatric surgery centers which provide at least 99 percent of their dental procedure under general anesthesia to children with severe dental disease under the age of 21.
- (21) For dates of service on or after December 1, 2013, the payment reduction specified in paragraph (13), set forth on page 3.3, will not apply to dental pediatric surgery centers provided that they serve at least 95 percent of their Medi-Cal beneficiaries under the age of 21.

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

4. Effective for dates of service on or after July 1, 2021, reimbursement rates for clinical laboratory or laboratory services as described in State Plan Attachment 3.1-A, page 1, paragraph 3, entitled "Other Laboratory and X-ray services," will be established based on rates in effect and approved in the State Plan as of December 31, 2019.
 - a) The ten percent payment reductions described in paragraph (13) on page 3.3 of this Attachment shall apply to the new rates established using the methodology described in this paragraph.
 - (i) For dates of services on or after July 1, 2022, clinical laboratory services that are 2019 novel coronavirus disease (COVID-19) diagnostic testing or specimen collection services are exempt from the ten percent payment reductions described in paragraph (13) on page 3.3 of this Attachment.
 - b) The Department's fee schedule rates are set as of July 1, 2021 and are effective for services on or after July 1, 2021. All rates for clinical laboratories and laboratory services are published at:
<http://files.medi-cal.ca.gov/rates/RatesHome.aspx>
 - c) For clinical laboratory or laboratory services that do not appear in the December 31, 2019 fee schedule, the following methodology shall apply: Reimbursement for clinical laboratory or laboratory services shall not exceed the lowest of the following:
 - (1) the amount billed,
 - (2) the charge to the general public,
 - (3) 80% of the lowest maximum allowance established by the federal Medicare Clinical Laboratory fee schedule and Medicare Physician fee schedule effective January 1, 2021 for the same or similar service

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

REIMBURSEMENT METHODOLOGY FOR TELEHEALTH SERVICES DELIVERED
VIA REMOTE PATIENT MONITORING

1. The reimbursement rates for physician services and services by other licensed practitioners described in Sections 1905(a)(5)(A), 1905(a)(6), 1905(a)(17), and 1905(a)(21) of the Act, and as described in State Plan Attachments 3.1-A and 3.1-B, delivered via remote patient monitoring will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
 - a. For dates of service on or after July 1, 2021, the reimbursement rates for services delivered via remote patient monitoring are established at the lowest of the following:
 - i. the amount billed,
 - ii. the charge to the general public, or
 - iii. 80 percent of the corresponding Medicare 2021 Physician Fee Schedule rates for the same or similar service.
 - b. The payment reductions, described in paragraphs (6) through (13), set forth on pages 3.1 through 3.4 of this Attachment, shall apply to reimbursement for services delivered via remote patient monitoring as described in this section. For dates of service on or after July 1, 2022, the payment reductions described in paragraphs (6) through (13), set forth on pages 3.1 through 3.4 of this Attachment shall no longer apply to services delivered via remote patient monitoring as described in this section.
 - c. The DHCS fee schedule rates are set as of July 1, 2021 and are effective for services provided on or after that date. All Medi-Cal Fee-For-Service rates for services delivered via remote patient monitoring are published at: <https://files.medi-cal.ca.gov/rates/rateshome.aspx>.

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

REIMBURSEMENT METHODOLOGY FOR NON-EMERGENCY MEDICAL
TRANSPORTATION

1. Notwithstanding any other provision in this Attachment, the Department of Health Care Services (DHCS) will establish the following reimbursement rates for the below Non-Emergency Medical Transportation (NEMT) services, for dates of service on or after July 1, 2022:

NEMT Service	Rate
Non-emergency transportation: wheelchair van	\$20.30
Basic Life Support (BLS) mileage (per mile) (use for wheelchair and litter van transports only)	\$1.50

- a. All Medi-Cal Fee-For-Service rates for NEMT services are published at:
<https://files.medi-cal.ca.gov/rates/rateshome.aspx>.

**OTHER OUTPATIENT PROVIDERS
SUBJECT TO PROVIDER PAYMENT REDUCTIONS**

The providers and services Included in this Supplement are subject to the payment reductions described on pages 3.1-3.4 of Attachment 4.19-B when billed to the Department by the provider who rendered the service. The services are described In Attachment 3.1-A entitled, "Amount Duration and Scope of Medical and Remedial Care and Service Provided to the Categorically Needy".

Provider Type	Services subject to payment reduction	Limitations on Attachment 3.1-A	
Chiropractors	Chiropractic Services	6c	Page 11
Clinical Laboratories	laboratory and Pathology Services	3	Page 4
	Radiology/Nuclear Medicine Services	3	Page 4
Physical Therapists	Physical Therapy	11	Page 16
Genetic Disease Testing	Expanded Alpha Feto-Protein Screening Services	3	See Laboratory Services Page 4
Health Access Program	Extended Services for Pregnant Women	20	Page 24
	Outpatient Clinic Services	2a, 9	Page(s) 2 and 15

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: CALIFORNIA

B. Supplemental Reimbursement Methodology – General Provisions for Services,
Effective January 1, 2022 – June 30, 2022.

1. The supplemental payment amounts are fixed at the amounts listed in the chart below for each eligible NEMT service, listed by Procedure Code. The supplemental payment is paid on a per claim basis for each eligible NEMT service.
2. Base rates for NEMT services are the rates established by the Department for each Procedure Code, as published on the Medi-Cal Rates website:

<https://files.medi-cal.ca.gov/Rates/RatesHome.aspx>

Procedure Code	Supplemental Amount	Procedure Code	Supplemental Amount
93005	\$1.64	A0428	\$10.72
93041	\$0.51	A0430	\$127.50
A0130	\$4.41	A0431	\$180.00
A0380	\$0.33	A0435	\$1.43
A0420	\$1.98	A0436	\$2.21
A0422	\$1.00	T2001	\$0.55
A0424	\$1.64	T2005	\$2.63
A0425	\$0.36	T2007	\$1.13
A0426	\$10.72		

3. Providers eligible for the supplemental payments under this section do not include RHCs, LEAs, FQHCs, IHS, Tribal 638 Facilities or other providers who are reimbursed on a cost-based system.