

Table of Contents

State/Territory Name: CA

State Plan Amendment (SPA) #: 22-0053

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 22-0053

Dear Ms. Cooper:

We have reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-22-0053, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 20, 2022. This SPA updates the rate setting methodology for clinical laboratory and laboratory services.

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,

[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 5 3

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 \$ (711)
b. FFY 2023 \$ (2,845)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 29, Attachment 4.19-B, pages 3d and 3g

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Supplement 29, Attachment 4.19-B, pages 3d and 3g

9. SUBJECT OF AMENDMENT

Clinical Lab Rate methodology updates, effective July 1, 2022

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 16, 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 20, 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

12/12/22 State concurs with pen and ink changes: Box 7: striking "3g" and adding "3f-1"; Box 8: striking "and 3g"

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

4. Effective for dates of service on or after July 1, 2022, 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 using the following methodology:
 - a) The ten percent payment reductions included in 4.19-B, page 3.3 paragraph (13), shall apply to the new rates established using the methodology described in this paragraph.
 - (1) 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) All rates for clinical laboratories and laboratory services are published at: <http://files.medi-cal.ca.gov/rates/RatesHome.aspx>
 - c) Effective for dates of service on or after July 1, 2022, the reimbursement for clinical laboratory or laboratory services shall be the lowest of the following:
 - (1) the amount billed,
 - (2) the charge to the general public,
 - (3) the rate in effect on the Medi-Cal Fee schedule for the current state fiscal year, which shall be the lowest of the following:
 - i. the rate in effect on the Medi-Cal Fee schedule as of June 30 of the previous state fiscal year.
 - ii. 100 percent of the lowest maximum allowance established by the federal Medicare Clinical Laboratory fee schedule and Medicare Physician fee schedule effective January 1 of the previous state fiscal year for the same or similar service.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California**Reimbursement Methodology Table**

Paragraph	Effective Date	Percentage/Methodology	Authority
4	July 1, 2022	The reimbursement rates shall be the lowest of the following: (1) the amount billed, (2) the charge to the general public, (3) the rate in effect on the Medi-Cal Fee schedule for the current state fiscal year, which shall be the lowest of the following: (i) the rate in effect on the Medi-Cal Fee schedule as of June 30 of the previous state fiscal year. (ii) 100% of the lowest maximum allowance established by the federal Medicare Clinical Laboratory fee schedule and Medicare Physician fee schedule effective January 1 of the previous state fiscal year for the same or similar service.	California Welfare and Institutions Code sections 14105.22 and 14105.222

TN: 22-0053
 Supersedes
 TN: 21-0052

Approval Date: December 16, 2022Effective Date: July 1, 2022