

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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SEP 20 2012

Toby Douglas, Director  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Enclosed is an approved copy of California State Plan Amendment (SPA) 11-037b. SPA 11-037 was originally submitted to my office on December 16, 2011 to address the issues related to chronic dialysis and heroin detoxification that were initially identified in the companion letter issued with the approval of SPA 11-014. The companion letter identified potential issues with "chronic dialysis" and "outpatient heroin detoxification services" being included under the rehabilitative services section in the State plan. The letter indicated that these particular services would be more appropriately covered under other benefit categories. The 11-014 companion letter also noted that if the State were to determine that "chronic dialysis services" are covered as clinic or outpatient services, then chronic dialysis does not need to be specifically listed under either of these benefits provided that there are no limitations to the service and there is a corresponding payment methodology in the Attachment 4.19-B State Planpages.

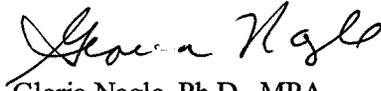
On February 22, 2012, the State requested that SPA 11-037 be split such that 11-037b removes the chronic dialysis language from the rehabilitation section of the State Plan and moves outpatient heroin and other opioid detoxification services from the rehabilitation services section to the physician and clinic services sections.

The effective date of this SPA is April 1, 2012. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Limitations on Attachment 3.1-A, page 10a.1
- Limitations on Attachment 3.1-B, page 10a.1
- Limitations on Attachment 3.1-A, page 15
- Limitations on Attachment 3.1-B, page 15
- Limitations on Attachment 3.1-A, page 19
- Limitations on Attachment 3.1-B, page 19

If you have any questions, please contact Kristin Dillon by phone at (415) 744-3579 or by email at [Kristin.Dillon@cms.hhs.gov](mailto:Kristin.Dillon@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink that reads "Gloria Nagle". The signature is fluid and cursive, with the first name "Gloria" and last name "Nagle" clearly distinguishable.

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

cc: Elizabeth Garbarczyk, Centers for Medicare and Medicaid Services  
Christopher Thompson, Centers for Medicare and Medicaid Services  
Kathryn Waje, California Department of Health Care Services  
Laurie Weaver, California Department of Health Care Services

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 11-037b	2. STATE California
	3. PROGRAM IDENTIFICATION: Social Security Act (Medicaid)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE <del>March 2, 2012</del> April 1, 2012
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 U.S.C. 1396a, 42 CFR Part 440	7. FEDERAL BUDGET IMPACT: N/A
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Limitations on Attachment 3.1-B, page 15 Limitations on Attachment 3.1-A Page 19 Limitations on Attachment 3.1-B Page 19 Limitations on Attachment 3.1-A Page 19A 10a.1 Limitations on Attachment 3.1-B Page 19A 10a.1 Limitations on Attachment 3.1-A, page 15	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Limitations on Attachment 3.1-A Page 19 Limitations on Attachment 3.1-B Page 19 Limitations on Attachment 3.1-A, page 15 Limitations on Attachment 3.1-B, page 15

10. SUBJECT OF AMENDMENT:  
Response to comments on the companion letter dated July 1, 2011 – amendments to chronic dialysis services and outpatient heroin detoxification services.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      The Governor's Office does not  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:  Department of Health Care Services Attn: State Plan Coordinator 1501 Capitol Avenue, Suite 71.3.26 P.O. Box 997417 Sacramento, CA 95899-7417
13. TYPED NAME: Toby Douglas	
14. TITLE: Director	
15. DATE SUBMITTED: 2/16/11	

<b>FOR REGIONAL OFFICE USE ONLY</b>	
17. DATE RECEIVED: 2/16/11	18. DATE APPROVED: SEP 20 2011
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 4/1/12	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Gloria Nagle	22. TITLE: Associate Regional Administrator
23. REMARKS:  Pen and ink changes submitted with 6/27/12 response.	

STATE PLAN CHART

(Note: This chart is an overview only.)

TYPES OF SERVICE	PROGRAM COVERAGE**	AUTHORIZATION AND OTHER REQUIREMENTS*
5a Physician's Services (continued).	Outpatient heroin or other opioid detoxification services are administered or prescribed by a physician, or medical professional under the supervision of a physician.	Outpatient heroin or other opioid detoxification services require prior authorization and are limited to 21 consecutive calendar days of treatment, regardless if treatment is received each day. When medically necessary, additional 21-day treatments are covered after 28 days have elapsed from the completion of a preceding course of treatment. During the 28 day lapse, beneficiaries can receive maintenance treatment. Services are covered for beneficiaries under the age of 21 years when medically necessary. The narcotic drug methadone can only be rendered in state licensed Narcotic Treatment Programs, as required by federal and state law. Other narcotic drugs permitted by federal law may be used for outpatient heroin or other opioid detoxification services at any outpatient clinic or physician office setting where the medical staff has appropriate state and federal certifications for treatment of opioid dependence outside of Narcotic Treatment Programs. Additional charges may be billed for services medically necessary to diagnose and treat disease(s) which the physician believes are concurrent with, but not part of, outpatient heroin or other opioid detoxification services. Services are covered to the extent that they are permitted by federal law.

Prior Authorization is not required for emergency services.

\*\*Coverage is limited to medically necessary services

TN No. 11-037b

Supersedes

TN No. NONE

Approval Date 09-20-2012

Effective Date 4/1/2012

STATE PLAN CHART

TYPE OF SERVICE	PROGRAM COVERAGE	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
7d Physical and occupational therapy, speech therapy and audiology services provided by a home health agency.	See 11.	See 11.
8 Special duty nursing services.	Not covered	
9 Clinic services	<p>Clinic services are covered under this state plan. Clinic services means preventive, diagnostic, therapeutic, rehabilitative, or palliative services that are furnished by a facility that is not part of a hospital but is organized and operated to provide medical care to outpatients. Clinic services include outpatient heroin or other opioid detoxification services. Services shall be furnished at the clinic by or under the direction of a physician or dentist.</p> <p>Acupuncture, audiology, chiropractic, dental, incontinence creams and washes, optometry, podiatry psychology, speech therapy, are covered optional benefits only for the following beneficiaries:</p> <ul style="list-style-type: none"> <li>• Pregnant women if the optional benefit is part of their pregnancy-related services or for services to treat a condition that might complicate the pregnancy.</li> <li>• Individual who is an eligible beneficiary under the Early and Periodic Screening Diagnosis and Treatment Program</li> <li>• Individual who is receiving long term care in a licensed skilled or intermediate</li> </ul>	<p>Refer to appropriate service section for prior authorization requirements</p> <p>Narcotic Treatment Programs pursuant to federal and state regulations are the only facilities that may administer methadone for heroin or other opioid detoxification services. Other narcotic drugs permitted by federal law may be used for outpatient heroin or other opioid detoxification services at any outpatient clinic or physician office setting where the medical staff has appropriate state and federal certifications for treatment of opioid dependence outside of Narcotic Treatment Programs. Refer to type of service “5a Physician Services” for prior authorization and other requirements for outpatient heroin or other opioid detoxification services.</p>

State Plan Chart

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	TYPE OF SERVICE	PROGRAM DESCRIPTION**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
13d.1	(Intentionally left blank)	***	
13d.2	(Intentionally left blank)		
13d.3	(Intentionally left blank)		
13d.4	Rehabilitative mental health services for seriously emotionally disturbed children	See 4b EPSDT program coverage.	Medical necessity is the only limitation.

\* Prior authorization is not required for emergency service.

\*\* Coverage is limited to medically necessary services

\*\*\* The elimination of Adult Day Health Care previously scheduled to take place on 3/1/12 (approved via SPA 11-035) has been postponed and will be effective as of 4/1/12.

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Supersedes  
TN No. NONE

Approval Date 09-20-2012

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Revised Pages for:  
 CALIFORNIA MEDICAID STATE PLAN  
 Under Transmittal of  
 STATE PLAN AMENDMENT (SPA)  
**11-037b\***

All new pages will have this SPA\* number identified as the new TN No., so it will not be repeated for each new insert pages.

<b>Remove Page(s)</b>	<b>Insert Page (s)</b>
None	Limitations on Attachment 3.1-A, page 10a.1
Limitations on Attachment 3.1.A, page 15 <b>(TN 09-001)</b>	Limitations on Attachment 3.1-A, page 15
Limitations on Attachment 3.1.A, page 19 <b>(TN 11-037a)</b>	Limitations on Attachment 3.1-A, page 19
None	Limitations on Attachment 3.1-B, page 10a.1
Limitations on Attachment 3.1.B, page 15 <b>(TN 09-001)</b>	Limitations on Attachment 3.1-B, page 15
Limitations on Attachment 3.1.B, page 19 <b>(TN 11-037a)</b>	Limitations on Attachment 3.1-B, page 19