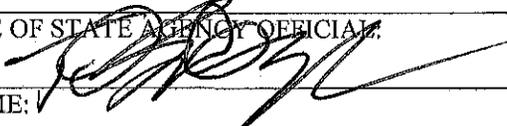


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-006	2. STATE California
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2012	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR, Sections		7. FEDERAL BUDGET IMPACT: a. FFY 2011-1 No fiscal impact b. FFY	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B page 1, 20a Supplement 17 to Attachment 4.19-B, pages 1-5		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, pages 1 and page 20a.	
10. SUBJECT OF AMENDMENT: Companion Letter SPA – Non-substantive changes.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor's Office does not <input type="checkbox"/> 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: MAR 30 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

MAR 30 2012

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health
90 7th Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 12-006

Dear Ms. Nagle:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 12-006 for your review and approval. SPA 12-006 amends page 1 (general reimbursement methodology), page 20a (Payment for Home Health Agencies), and adds Supplement 17 (list of outpatient services) to Attachment 4.19-B with an effective date of January 1, 2012. This SPA is in response to several questions addressed in the companion letter dated October 27, 2011, that accompanied the approval of SPA 11-009 for the provider payment reduction. DHCS initially responded to the companion letter's reimbursement questions on January 31, 2012. SPA 12-006 responds to Question 2(a) and (b) and Question 5.

Specifically, SPA 12-006 amends the following:

- Page 1: Adds paragraph (B) that states that the specific outpatient services that are reimbursed under the methodology on the same page are listed in Supplement 17. Page 1 also adds paragraph (C) that specifies the date the rates for the services listed in Supplement 17 were posted on the Rates website. This is in response to Question 2(a) and (b) of the companion letter.
- Supplement 17 is added to list the outpatient services reimbursed under the reimbursement methodology specified on page 1. As noted above, this is in response to Question 2(a) of the companion letter.
- Page 20a (Home Health Agency Service) to add the date when the Medi-Cal Rates website was updated and the link to the Medi-Cal Rates website. This is in response to Question 5 of the companion letter.

Gloria Nagle, Ph.D., MPA
Page 2

In addition to the SPA, the CMS Form 179 and the SPA Impact form are enclosed. On February 13, 2012, DHCS notified Indian Health Programs and Urban Indian Organizations of these changes to Medi-Cal payments for outpatient services. Also, on February 29, 2012, DHCS held a Webinar with Tribes and designees to allow discussion and feedback. To date, no comments have been received.

A Public Notice was published in the California Regulatory Notice Register on February 24, 2012, which includes a notice of these pending changes to the State Plan.

If you have questions or need additional information, please contact Mr. Timothy Matsumoto, Acting Chief, Fee-For-Service Rates Development, at (916) 552-9600.

Sincerely,



Toby Douglas
Director

Enclosures

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

The following is a list of the outpatient services set forth in Section 1905(a) of the Social Security Act that are reimbursed using the methodology set forth in Attachment 4.19-B, page 1, paragraph 1. The numbering of the list below is taken from the list provided in Attachment 3.1-A entitled, Amount, Duration, and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy:

2. a. Outpatient hospital services.
 - b. Rural health clinic services and other ambulatory services furnished by a rural health clinic.
 - c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with Section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).
 - d. Ambulatory services offered by a health center receiving funds under Section 329, 330, or 340 of the Public Health Service Act to a pregnant woman or individual under 18 years of age.
3. Other laboratory and x-ray services.
- 4.b. Early and periodic screening, diagnostic and treatment services for individuals under 21 years of age, and treatment of conditions found.
 - 4.c. Family planning services and supplies for individuals of child-bearing age and for individuals eligible pursuant to Att. 2.2-A, B, if this eligibility option is elected by the State.
 - 4.c.1 Family planning-related services provided under the above State Eligibility Option.
- 5.a. Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere.
 - 5.a.1. Sign language interpreter services (in connection with physician's services).

TN No. 12-006 Approval Date _____ Effective Date January 1, 2012

Supersedes

TN No. None

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- b. Medical and surgical services furnished by a dentist [in accordance with Section 1905(a)(5)(B) of the Act].
6. Medical care and any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law.
- a. Podiatrists' services.
 - b. Optometrists' services.
 - c. Chiropractors' services.
 - d. Other practitioners' services.
7. Home health services.
- a. Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area.
 - b. Home health aide services provided by a home health agency.
 - c. Medical supplies, equipment, and appliances suitable for use in the home.
 - d. Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility.
9. Clinic services.
10. Dental services.
11. Physical therapy and related services.
- a. Physical therapy.

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- b. Occupational therapy.
 - c. Services for individuals with speech, hearing, and language disorders (provided by or under the supervision of a speech pathologist or audiologist).
12. Prescribed drugs, dentures, and prosthetic devices; and hearing aids; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.
- a. Prescribed drugs.
 - b. Dentures.
 - c. Prosthetic devices and hearing aids.
 - d. Eye glasses.
13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.
- a. Diagnostic services.
 - b. Screening services.
 - c. Preventive services.
 - d. Rehabilitative services; including rehabilitative mental health services and rehabilitative alcohol and drug treatment services for individuals diagnosed by physicians as having a substance-related disorder.
17. Nurse-midwife services.
18. Hospice care.
19. Case management services and tuberculosis related services.

State Plan Under Title XIX of the Social Security Act

State: California**OUTPATIENT SERVICES**

- a. Case management services as defined in, and to the group specified in, Supplement 1 to Attachment 3.1-A for Mentally Disabled (Short-Doyle) and Developmentally Disabled (Lanterman), and Supplements 1a-1f to Attachment 3.1-A for Case Management Services (in accordance with Section 1905(a)(19) or Section 1915(g) of the Act.
 - b. Special tuberculosis related services under Section 1902(z)(2)(F) of the Act.
20. Extended services for pregnant women.
- a. Pregnancy-related and postpartum services for a 60-day period after the pregnancy ends and any remaining days in the month in which the 60th day falls.
 - b. Services for any other medical conditions that may complicate pregnancy.
21. Ambulatory prenatal care for pregnant woman furnished during a presumptive eligibility period by an eligible provider.
22. Respiratory care services.
23. Certified pediatric or family nurse practitioners' services.
24. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.
- a. Transportation.
 - b. Services of religious nonmedical health care institutions.
 - e. Emergency hospital services.
 - f. Personal care services recipient's home, prescribed in accordance with a plan treatment and provided by a qualified person under supervision of a registered nurse.

TN No. 12-006 Approval Date _____ Effective Date January 1, 2012
Supersedes
TN No. None

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- g. Local Education Agency (LEA) services.
- 25. Home and Community Care for Functionally Disabled Elderly Individuals as defined, described and limited in Supplement 2 to Attachment 3.1-A, and Appendices A-G to Supplement 2 to Attachment 3.1-A.
- 26. Personal care services furnished to an individual who is not an inpatient or resident of an hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental diseases that are (A) authorized for the individual by a physician in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, and (C) furnished in a home or at work.
- 27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 4 to Attachment 3.1-A.

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

The following is a list of the outpatient services set forth in Section 1905(a) of the Social Security Act that are reimbursed using the methodology set forth in Attachment 4.19-B, page 1, paragraph 1. The numbering of the list below is taken from the list provided in Attachment 3.1-A entitled, Amount, Duration, and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy:

2. a. Outpatient hospital services.
 - b. Rural health clinic services and other ambulatory services furnished by a rural health clinic.
 - c. Federally qualified health center (FQHC) services and other ambulatory services that are covered under the plan and furnished by an FQHC in accordance with Section 4231 of the State Medicaid Manual (HCFA-Pub. 45-4).
 - d. Ambulatory services offered by a health center receiving funds under Section 329, 330, or 340 of the Public Health Service Act to a pregnant woman or individual under 18 years of age.
3. Other laboratory and x-ray services.
- 4.b. Early and periodic screening, diagnostic and treatment services for individuals under 21 years of age, and treatment of conditions found.
 - 4.c. Family planning services and supplies for individuals of child-bearing age and for individuals eligible pursuant to Att. 2.2-A, B, if this eligibility option is elected by the State.
 - 4.c.1 Family planning-related services provided under the above State Eligibility Option.
 - 5.a. Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere.
 - 5.a.1. Sign language interpreter services (in connection with physician's services).

TN No. 12-006 Approval Date _____ Effective Date January 1, 2012
Supersedes
TN No. None

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- b. Medical and surgical services furnished by a dentist [in accordance with Section 1905(a)(5)(B) of the Act].
- 6. Medical care and any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law.
 - a. Podiatrists' services.
 - b. Optometrists' services.
 - c. Chiropractors' services.
 - d. Other practitioners' services.
- 7. Home health services.
 - a. Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area.
 - b. Home health aide services provided by a home health agency.
 - c. Medical supplies, equipment, and appliances suitable for use in the home.
 - d. Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility.
- 9. Clinic services.
- 10. Dental services.
- 11. Physical therapy and related services.
 - a. Physical therapy.

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- b. Occupational therapy.
- c. Services for individuals with speech, hearing, and language disorders (provided by or under the supervision of a speech pathologist or audiologist).
- 12. Prescribed drugs, dentures, and prosthetic devices; and hearing aids; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.
 - a. Prescribed drugs.
 - b. Dentures.
 - c. Prosthetic devices and hearing aids.
 - d. Eye glasses.
- 13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.
 - a. Diagnostic services.
 - b. Screening services.
 - c. Preventive services.
 - d. Rehabilitative services; including rehabilitative mental health services and rehabilitative alcohol and drug treatment services for individuals diagnosed by physicians as having a substance-related disorder.
- 17. Nurse-midwife services.
- 18. Hospice care.
- 19. Case management services and tuberculosis related services.

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- a. Case management services as defined in, and to the group specified in, Supplement 1 to Attachment 3.1-A for Mentally Disabled (Short-Doyle) and Developmentally Disabled (Lanterman), and Supplements 1a-1f to Attachment 3.1-A for Case Management Services (in accordance with Section 1905(a)(19) or Section 1915(g) of the Act.
 - b. Special tuberculosis related services under Section 1902(z)(2)(F) of the Act.
20. Extended services for pregnant women.
- a. Pregnancy-related and postpartum services for a 60-day period after the pregnancy ends and any remaining days in the month in which the 60th day falls.
 - b. Services for any other medical conditions that may complicate pregnancy.
21. Ambulatory prenatal care for pregnant woman furnished during a presumptive eligibility period by an eligible provider.
22. Respiratory care services.
23. Certified pediatric or family nurse practitioners' services.
24. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.
- a. Transportation.
 - b. Services of religious nonmedical health care institutions.
 - e. Emergency hospital services.
 - f. Personal care services recipient's home, prescribed in accordance with a plan treatment and provided by a qualified person under supervision of a registered nurse.

State Plan Under Title XIX of the Social Security Act
State: California

OUTPATIENT SERVICES

- g. Local Education Agency (LEA) services.
25. Home and Community Care for Functionally Disabled Elderly Individuals as defined, described and limited in Supplement 2 to Attachment 3.1-A, and Appendices A-G to Supplement 2 to Attachment 3.1-A.
26. Personal care services furnished to an individual who is not an inpatient or resident of an hospital, nursing facility, intermediate care facility for the mentally retarded, or institution for mental diseases that are (A) authorized for the individual by a physician in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, and (C) furnished in a home or at work.
27. Program of All-Inclusive Care for the Elderly (PACE) services, as described in Supplement 4 to Attachment 3.1-A.

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

(1)(A) The policy of the State Agency is that reimbursement for each of the types of care or service listed in Section 1905(a) of the Social Security Act that are included in the program under the plan will be at the lesser of usual charges or the payment rates 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.

The methodology utilized by the State Agency in establishing payment rates will be as follows:

- a) The development of an evidentiary base or rate study resulting in the determination of a proposed rate.
 - 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.
 - c) The determination of a payment rate based on an evidentiary base, including pertinent input from the public.
 - d) The establishment of the payment rate through the State Agency's adoption of regulations specifying such rate in the CCR, Title 22, Division 3, Chapter 3, Article 7 (commencing with Section 51501), and CCR, Title 17, Chapter 4, Subchapter 13, commencing with Section 6868, Schedule of Maximum Allowances for EPSDT health assessment, or through any other means authorized by State law.
- (B) The outpatient services set forth in Section 1905(a) of the Social Security Act that are reimbursed using the methodology set forth in paragraph 1 above, are listed in Supplement 17 of this Attachment 4.19-B.
- (C) The State Agency's rates for the services listed in Supplement 17 were posted as of March 15, 2012, and are effective for dates of service on or after that date. The rates for these services are posted on the Medi-Cal Rates website at:
<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

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

(1)(A) The policy of the State Agency is that reimbursement for each of the types of care or service listed in Section 1905(a) of the Social Security Act that are included in the program under the plan will be at the lesser of usual charges or the payment rates 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.

The methodology utilized by the State Agency in establishing payment rates will be as follows:

- a) The development of an evidentiary base or rate study resulting in the determination of a proposed rate.
 - 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.
 - c) The determination of a payment rate based on an evidentiary base, including pertinent input from the public.
 - d) The establishment of the payment rate through the State Agency's adoption of regulations specifying such rate in the CCR, Title 22, Division 3, Chapter 3, Article 7 (commencing with Section 51501), and CCR, Title 17, Chapter 4, Subchapter 13, commencing with Section 6868, Schedule of Maximum Allowances for EPSDT health assessment, or through any other means authorized by State law.
- (B) The outpatient services set forth in Section 1905(a) of the Social Security Act that are reimbursed using the methodology set forth in paragraph 1 above, are listed in Supplement 17 of this Attachment.
- (C) The State Agency's rates for the services listed in Supplement 17 were posted as of March 15, 2012, and are effective for dates of service on or after that date. The rates for these services are posted on the Medi-Cal Rates website at:
<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

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

Payment for Home Health Agency Services

The State developed fee schedule rates are the same for both public and private providers of home health agency services. The rates for home health services were posted as of March 15, 2012, and are effective for services on or after that date. The rates for home health services are posted on the Medi-Cal website at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

TN No. 12-006 Approval Date _____ Effective Date January 1, 2012
Supersedes
TN No. 05-026

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

Payment for Home Health Agency Services

The State developed fee schedule rates are the same for both public and private providers of home health agency services. ~~The fee schedule, and any annual or periodic adjustments to the fee schedule, are published in California's Medi-Cal Inpatient/Outpatient Provider Manual at: www.medi-cal.ca.gov.~~

The rates for home health services were posted as of March 15, 2012, and are effective for services on or after that date. The rates for home health services are posted on the Medi-Cal website at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

TN No. 12-006
Supersedes
TN No. 05-026

Approval Date _____ Effective Date January 1, 2012