This notice serves to provide information of public interest that the Department of Health Care Services (DHCS) is seeking the continuation of federal authority to adjust Medi-Cal Fee-For-Service (FFS) reimbursement rates for Radiology services. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning proposed State Plan Amendment (SPA) 17-014, which is attached below.

DHCS plans to submit to the federal Centers for Medicare & Medicaid (CMS) SPA 17-014, which proposes to continue the current Medi-Cal FFS reimbursement methodology for Radiology services, while clarifying that the reimbursement rates will continue to be annually adjusted, as required by Senate Bill (SB) 853 (Chapter 717, Statutes of 2010). SB 853 added Welfare and Institutions (W&I) Code Section 14105.08, requiring DHCS to reduce Medi-Cal reimbursement rates for Radiology services so that they do not exceed 80 percent of the corresponding Medicare rate. Radiology services may be described as the diagnosis, treatment, and intervention using medical imaging techniques.

Effective April 1, 2017, DHCS proposes to continue adjusting Medi-Cal rates for Radiology services in accordance with W&I Code 14105.08. Therefore, Medi-Cal rates that exceed 80 percent of the current Medicare rate will be reduced to a level in accordance with W&I Code Section 14105.08. As a result of the adjustment, DHCS estimates that the aggregate Medi-Cal reimbursements for affected Radiology services will decrease by $568,000 total funds. The impact of annual adjustments are expected to decrease each year as reimbursement rates are set at levels in accordance with W&I Code Section 14105.08. Proposed SPA 17-014 will amend the provisions on page 3k of Section 4.19-B within the California State Plan, as provided below.

DHCS is requesting stakeholder input, questions and concerns on the impact, if any, on continued Radiology service access as a result of the proposed actions.

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of the SPA from the mailing address or email, below. To be assured of consideration prior to SPA submission to CMS, comments must be received no later than 5 p.m. on March 30, 2017. DHCS requests that comments be submitted via e-mail to [Publicinput@dhcs.ca.gov](file:///C%3A/Users/arodrig1/AppData/Local/Microsoft/Windows/Temporary%20Internet%20Files/Content.Outlook/9U4JO37G/Publicinput%40dhcs.ca.gov) and indicate SPA 17-014 in the subject line. Any written comments, including with respect to the SPA’s impact to access to care, may also be sent to Department of Health Care Services, Fee-For-Service Rate Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899-7417. A copy of public comments may be requested in writing to the same address or e-mail inbox identified above.

REIMBURSEMENT METHODOLOGY FOR RADIOLOGY SERVICES

1. Except as otherwise noted in the State Plan, state-developed fee schedules are the same for both governmental and private providers of radiological services. The department’s fee schedule rates were set as of October 1, 2012 and are effective for services provided on or after that date. All Medi-Cal Fee for Service rates are published at:

<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

1. Effective April 1, 2017, and the first day of each calendar year thereafter, the department’s fee schedule rates will be annually adjusted so they do not exceed 80 percent of the applicable Medicare payment levels. All Medi-Cal Fee for Service rates are published annually at:

<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.