

June 25, 2025

THIS LETTER SENT VIA EMAIL

Ms. Courtney Miller, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 355
Kansas City, MO 64106

STATE PLAN AMENDMENT 25-0024: CHILDREN'S HEALTH INSURANCE
PROGRAM (CHIP) INCARCERATED YOUTH

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0024 for your review and approval. This SPA proposes to demonstrate CHIP compliance and alignment with California's Medicaid program on the federal requirements mandated in Section 5121 of the Consolidated Appropriations Act (CAA), 2023, for eligible incarcerated youth. DHCS seeks an effective date of January 1, 2025, for this SPA.

On July 23, 2024, the Centers for Medicare & Medicaid Services (CMS) issued State Health Official (SHO) Letter [24-004](#), providing guidance on Section 5121 of the Consolidated Appropriations Act, 2023 ([CAA, 2023](#)). This guidance modifies CHIP eligibility requirements for children who become incarcerated.

Effective January 1, 2025, states must ensure that eligible juveniles within 30 days of their scheduled release from a public institution receive screenings, diagnostic services (as required under the Early and Periodic Screening, Diagnostic, and Treatment benefit), and case management services.

Additionally, Section 5121(c) of the CAA, 2023, allows states to suspend rather than terminate CHIP coverage during a child's incarceration and requires coverage redetermination prior to release.

California currently provides these services up to 90 days prior to release through the [CalAIM 1115 Demonstration](#) (Project Number 11-W-00193/9), approved by CMS on January 26, 2023.

Director's Office

P.O. Box No. 997413 | MS 0000
Sacramento, CA 95899-7413
Phone (916) 440-7400 | www.dhcs.ca.gov

State of California
Gavin Newsom, Governor



California Health and Human Services Agency

Ms. Miller
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In compliance with the policy set forth by the American Recovery and Reinvestment Act of 2009, DHCS notified Indian Health Programs and Urban Indian Organizations of SPA 25-0024. On June 16, 2025, CMS approved DHCS' rationale that no tribal notice was needed for CHIP SPA 25-0024.

Additionally, as outlined under 42 CFR §447.57, there is no cost sharing requirement for the services under this SPA, exempting the SPA from the public noticing requirement.

Included with this SPA submission are the approval for no tribal notice and the amended CHIP SPA sections.

If you have any questions or need additional information, please contact Sarah Crow, Chief, Medi-Cal Eligibility Division, at (916) 345-8411 or by email at Sarah.Crow@dhcs.ca.gov.

Sincerely,



Tyler Sadwith
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Services

Enclosures

cc: Lindy Harrington
Assistant State Medicaid Director
Director's Office
Department of Health Care Services
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Sarah Crow, Chief
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Department of Health Care Services
Sarah.Crow@dhcs.ca.gov

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 — 0 0 2 4

2. STATE

C A3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT XIX x XXITO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023)
Sections 2102(d) and 2110(b)(7) CAA, 2023

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ b. FFY 2026 \$

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

CHIP State Plan Section 4.1.9 "Other Standards"

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

Not Applicable

9. SUBJECT OF AMENDMENT

To demonstrate CHIP compliance and alignment with California's Medicaid program on the federal requirements mandated in Section 5121 of the Consolidated Appropriations Act, 2023, for eligible incarcerated youth.

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

Tyler Sadwith

13. TITLE

State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED

June 25, 2025

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

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

- 1.4** Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

CA RESPONSE:

SPA #25-0024 Purpose of SPA: To demonstrate CHIP compliance and alignment with California's Medicaid program on the federal requirements mandated in Section 5121 of the Consolidated Appropriations Act, 2023, for eligible incarcerated youth.

Proposed effective date: 01/01/2025

Proposed implementation date: 01/01/2025

- 1.4- TC Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

CA RESPONSE:

SPA #25-0024 for modification to amendments to Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), for eligible incarcerated youth. On June 16, 2025, CMS determined that Tribal consultation was not necessary for SPA 25-0024.

- 4.1.9** ☒ Other Standards- Identify and describe other standards for or affecting eligibility, including those standards in 457.310 and 457.320 that are not addressed above. For instance:

CA RESPONSE:

The state's treatment of inmates of a public institution complies with sections 2102(d) and 2110(b)(7) amended in Section 5121 of the CAA, 2023 as follows:

The state does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

The state elects to suspend CHIP coverage for the duration of a child's incarceration. The state will use a benefits suspension.

The state redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.

Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan or [CalAIM 1115 Demonstration](#) (Project Number 11-W-00193/9).

The state will process any application submitted by or on behalf of a child and make an eligibility determination for child health assistance to provide all services available under the CHIP state plan or [CalAIM 1115 Demonstration](#) (Project Number 11-W-00193/9) upon their release from the institution.

Children applying for coverage who are within 30 days prior to their release and are found eligible for CHIP are provided screenings, diagnostic services, and case management services that are otherwise available under the CHIP state plan or [CalAIM 1115 Demonstration](#) (Project Number 11-W-00193/9).