

March 30, 2026

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 26-0007: CONTINUE TIME-LIMITED SUPPLEMENTAL PAYMENTS FOR EMERGENCY DEPARTMENT PHYSICIAN EVALUATION & MANAGEMENT SERVICES IN A NON-ACADEMIC MEDICAL CENTER

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 26-0007 for your review and approval. This SPA proposes to continue time-limited supplemental payments for Emergency Department (ED) physician Evaluation and Management (E&M) services provided in non-academic medical centers (non-AMCs). DHCS seeks an effective date of January 1, 2026, through December 31, 2026, for this SPA.

Contingent on federal approval, eligible providers will receive increased reimbursement through the application of a supplemental payment to the Medi-Cal fee-for-service fee schedule amounts for ED E&M services provided in non-AMCs, meaning facilities that do not include a health professional school with an affiliated teaching hospital, effective for dates of service January 1, 2026, through December 31, 2026.

A Notice of Public Interest and Request for Public Input for SPA 26-0007 was published on December 30, 2025, and an addendum was published on March 27, 2026, on the DHCS website. The 30-day public comment due date was January 29, 2026, and no public comments were received. DHCS has determined that a Tribal Notice is not necessary for this proposal.

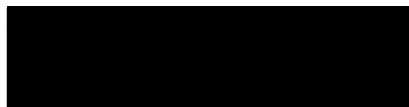
Ms. Miller
Page 2
March 30, 2026

DHCS is submitting the following SPA documents for your review and approval:

- CMS 179 - Transmittal and Notice of Approval of State Plan Material
- Supplement 42 to Attachment 4.19-B, Pages 3-4 (new)
- Public Notice
- Public Notice Addendum
- CMS Standard Funding Questions
- Budget Impact Explanation

If you have any questions or need additional information, please contact Aditya Voleti, Chief of Provider Rates Division, at (916) 345-8717 or by email at Aditya.Voleti@dhcs.ca.gov.

Sincerely,



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

Enclosures

cc: Saralyn M. Ang-Olson, JD, MPP
Chief Compliance Officer
Office of Compliance
California Department of Health Care
Services
Saralyn.Ang-Olson@dhcs.ca.gov

Rafael Davtian
Deputy Director
Health Care Financing
California Department of Health Care
Services
Rafael.Davtian@dhcs.ca.gov

Alek Klimek
Assistant Deputy Director
Health Care Financing
California Department of Health Care
Services
Alek.Klimek@dhcs.ca.gov

Aditya Voleti, Chief
Provider Rates Division
California Department of Health Care
Services
Aditya.Voleti@dhcs.ca.gov

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

1. TRANSMITTAL NUMBER

2. STATE

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

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

9. SUBJECT OF AMENDMENT

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

13. TITLE

14. DATE SUBMITTED

15. RETURN TO

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

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

TIME-LIMITED SUPPLEMENTAL PAYMENT PROGRAM FOR EMERGENCY DEPARTMENT PHYSICIAN EVALUATION & MANAGEMENT SERVICES IN A NON-ACADEMIC MEDICAL CENTER

1. Program Overview
 - a. This program provides supplemental reimbursement for eligible Emergency Department (ED) physician Evaluation and Management (E&M) services provided in non-academic Medical Centers (non-AMCs) to Medi-Cal beneficiaries. Supplemental reimbursements are provided in addition to the base rates for qualified ED physician E&M services. The base rates for these services remain unchanged and are published on the Medi-Cal Rates website.

2. Supplemental Reimbursement Methodology – General Provisions for Services Provided Between January 1, 2026 – December 31, 2026
 - a. Supplemental Payment Amounts
The supplemental payment amounts are fixed at the amounts listed in the chart below for each eligible ED physician E&M service listed by Current Procedural Terminology (CPT) Code. The supplemental payment is paid on a per claim basis.

CPT Code	Supplemental Payment
99282	\$ 2.69
99284	\$ 28.53
99285	\$ 41.29

3. Eligible Providers
 - a. ED physician E&M services rendered by a physician in a non-AMC who bills for the CPT codes listed above using the Health Insurance Claim Form (CMS-1500) are eligible for the supplemental payment established pursuant to this Supplement. A non-AMC means a facility that does not qualify as an AMC as defined under Title 42 of the Code of Federal Regulations (CFR) Section 438.6, meaning a non-AMC is a

- facility that does not include a health professional school with an affiliated teaching hospital.
- b. Providers eligible for the supplemental payment amounts under this Supplement do not include Federally Qualified Health Centers (FQHCs), Rural Health Centers (RHCs), or other providers that are reimbursed through an all-inclusive rate or a cost-based system.
 - c. Providers eligible for the supplemental payment amounts under this Supplement do not include providers rendering services in an academic medical center (AMC).
4. Base rates for ED physician E&M services are the rates established by the Department of Health Care Services for each CPT Code, as published on the Medi-Cal Rates website: <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>.