CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES
Michelle Baass | Director

September 11, 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 26-0034: BEHAVIORAL HEALTH TREATMENT SERVICES TECHNICAL AMENDMENTS FOR UTILIZATION MANAGEMENT CONTROLS IN THE ALTERNATIVE BENEFIT PLAN

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting Alternative Benefit Plan (ABP) State Plan Amendment (SPA) 26-0034 for your review and approval. This SPA proposes to align the ABP with changes to the State Plan made by SPA 26-0033, which will make technical amendments to the behavioral health treatment (BHT) benefit to clarify policy, including utilization management controls, and support enhanced program integrity efforts aimed at reducing potential fraud, waste, and abuse. DHCS seeks an effective date of July 1, 2026, for this SPA.

The public notice was published on June 30, 2026. In this instance, DHCS has determined that a Tribal notice is not necessary for this SPA.

The following documents are included for submission of SPA 26-0034:

- Public Notice
- CMS 179 Form
- Attachment 3.1-L, ABP05

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

If you have any questions or need additional information, please contact Amber De La Rosa, Chief of Benefits Division, at (916) 345-7924 or by email at Amber.Delarosa@dhcs.ca.gov.

Sincerely,

[redacted]

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
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California Department of Health Care Services
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DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0034

2. STATE: CA

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
July 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
SSA 1905(a)(19), 1915(g)
42 CFR 441.18, 440.169

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 0
b. FFY 2027 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3.1-L

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 3.1-L

9. SUBJECT OF AMENDMENT
To make technical edits to the behavioral health treatment services section of the Alternative Benefit Plan (ABP) in the State Plan.

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
[redacted]

12. TYPED NAME
Tyler Sadwith

13. TITLE
State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED
September 11, 2026

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

Instructions on Back

ABP General Information

State Name: California

Transmittal Number: CA 26 0034

General Information

Submission Title: TECHNICAL EDITS TO BEHAVIORAL HEALTH TREATMENT SERVICES

Description:

Updates language governing Behavioral Health Treatment (BHT) services to clarify policy, including utilization management controls, and support enhanced program integrity efforts aimed at reducing potential fraud, waste, and abuse.

Public Notice

☐ The state attests that this SPA does not make a substantive change and therefore does not require the state to provide public notice in accordance with 42 CFR 440.386.

☑ Public notice has been conducted prior to SPA submission pursuant to 42 CFR 440.386.

Date public notice was issued 6/30/26

☑ The state/territory assures that it has provided the public with advance notice of the amendment and reasonable opportunity to comment.

☑ The state/territory assures that it has included in the notice a description of the method for assuring compliance with 42CFR 440.345 related to full access to EPSDT services.

☑ The state/territory assures that it has included in the notice a description of the method for complying with the provisions of section 5006(e) of the American Recovery and Reinvestment Act of 2009.

☑ The state/territory assures that it has performed any required tribal consultation.

General Information

ABP Screening Statements to Indicate Required Forms

Select one of the following options for eligibility group coverage:

- ○ The population group for this Alternative Benefit Plan includes **only** the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act. If the state selects this option, the state must complete form ABP2a to indicate agreement to voluntary benefit package selection assurances for the adult group.

- ◉ The population group for this Alternative Benefit Plan includes the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act, and also includes other groups. If the state selects this option, the state must complete forms ABP2a and ABP2b to indicate agreement to voluntary benefit package selection assurances for the adult group and voluntary enrollment assurances for other eligibility groups.

- ○ The population for this Alternative Benefit Plan does not include the adult group under section 1902(a)(10)(A)(i)(VIII) of the Act. If the state selects this option, the state must complete form ABP2b to indicate agreement to voluntary enrollment assurances for these eligibility groups.

☐ Enrollment is mandatory for some or all participants. If selected, the state must complete form ABP2c to indicate agreement to mandatory enrollment assurances.

employment, prevocational services, homemaker services, home health aide services, community based adult services; personal emergency response systems; and vehicle modification and adaptation services. A developmental disability is a condition that originated before the age of 18, expected to continue indefinitely and constitute a substantial disability for the individual. It includes mental retardation, cerebral palsy, autism and any other disabling conditions similar to mental retardation, but not handicapping conditions solely physical in nature.

Remove

Other 1937 Benefit Provided:
Adult Dental Services

Source:
Section 1937 Coverage Option Benchmark Benefit Package

Authorization:
Other

Provider Qualifications:
Medicaid State Plan

Amount Limit:
As described in 'other' information below

Duration Limit:
None

Scope Limit:
Cosmetic procedures, experimental procedures, and orthodontic services for beneficiaries 21 years of age and older are not covered. $1,800 annual cap, as described below.

Other:
Emergency and essential diagnostic and restorative dental services; medically necessary dental services for EPSDT-eligible individuals. For beneficiaries 21 years of age or older, $1,800 annual cap does not apply to emergency dental services, pregnancy-related services, dentures, complex oral surgery, dental implants, and implant-retained prostheses. The cap may exceed limit for medical necessity with a TAR.

Remove

Other 1937 Benefit Provided:
Preventive Services - Behavioral Health Treatment

Source:
Section 1937 Coverage Option Benchmark Benefit Package

Authorization:
Prior Authorization

Provider Qualifications:
Medicaid State Plan

Amount Limit:
None

Duration Limit:
None

Scope Limit:
Children up to age 21

Other:
Behavioral Health Treatment (BHT) services include Applied Behavioral Analysis (ABA) and other evidence-based behavioral intervention services which prevent or minimize the adverse effects of symptoms and behaviors that may interfere with learning and social interaction and promote to the maximum extent practicable, the functioning of a member with an autism spectrum disorder (ASD) diagnosis. Services will be provided to members under 21 years of age, who meet the medical necessity criteria for receipt of the service(s). Services include behavioral assessment and development of treatment plan, delivery of evidence-based BHT services, training of parents/guardian, and observation and direction, as set forth on Limitations on Attachment 3.1-A pages 18b-18b.1 and on Supplement 6 to Attachment 3.1-A.