



NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: OCTOBER 2, 2026

PROPOSED AMENDMENT TO PROPOSED STATE PLAN AMENDMENT 25-0043 TO CHANGE PAYMENT METHODOLOGY FOR DMC-ODS SERVICES PROVIDED IN REGIONAL COUNTIES TO A FEE SCHEDULE

This notice is to provide information of public interest about a proposed amendment to State Plan Amendment (SPA) 25-0043 by the Department of Health Care Services (DHCS). The proposed amendment to SPA 25-0043 would change the payment methodology for DMC-ODS services provided in regional counties from prevailing charges to a fee schedule. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning the proposed amendment to SPA #25-0043 by November 1, 2026, which is attached.

DHCS estimates that the annual aggregate Medi-Cal expenditures for DMC-ODS services will be budget neutral.

The effective date of the proposed SPA is October 1, 2025. All proposed SPAs are subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

Public Review and Comments

The proposed changes included in draft SPA #25-0043 are enclosed in this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

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 proposed SPA #25-0043 or a copy of submitted public comments related to SPA #25-0043 by requesting it in writing to the mailing or email address listed below. Please indicate SPA #25-0043 in the subject line or message.

Written comments may be sent to the following address:

Department of Health Care Services
Local Governmental Financing Division



Attn: Charles Anders
P.O. Box 997413, MS 2629
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA #25-0043 in the subject line or message.

To be assured consideration prior to submission of the SPA to CMS, comments must be received no later than November 1, 2026. Please note that comments will continue to be accepted after November 1, 2026, but DHCS may not be able to consider those comments prior to the initial submission of SPA #25-0043 to CMS.

REHABILITATIVE SERVICES: REIMBURSEMENT FOR DRUG MEDI-CAL PROGRAM

Section 1: Reimbursement for Substance Use Disorder Treatment Services

This segment of the State Plan describes the reimbursement methodology for Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1-A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; above by the definitions, rules, and requirement for stabilization and rehabilitation services established by the Department of Health Care Services (DHCS); and sign a provider agreement with a county or DHCS. Beginning October 1, 2020, Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Services are exclusively covered and reimbursed under the 1915(a)(20) benefit.

A. Definitions

"Narcotic Treatment Program Services" means Narcotic Treatment Program (NTP) Daily Dosing Services and Individual Counseling, Group Counseling and Peer Support Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.

"Narcotic Treatment Program Daily Dosing Services" means NTP Core Services, NTP Laboratory Work, MAT for Alcohol Use Disorder and Other Non-Opioid Use Disorders (AUD) Medications, and MAT for OUD Medications.

"NTP Core Services" means Assessment, Medical Psychotherapy, Medication Services, Patient Education, and Substance Use Disorder (SUD) Crisis Intervention Services as those services are defined in Section 13.d.5 of Supplement 3 to Attachment 3.1-A of this State Plan.;

"NTP Laboratory Work" means Tuberculin and Syphilis tests, monthly drug screening and monthly pregnancy test of female methadone patients.

"Medication for Addiction Treatment for Opioid Use Disorder (MAT for OUD) Medications" means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 USC § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. § 262).

"Outpatient Services" means Assessment, Group Counseling, Individual Counseling, Medication Services, Patient Education, MAT for OUD, and SUD Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care or Intensive Outpatient Treatment Services Level of Care as those services and levels of care are defined in Section 13.d.5 in Supplement 3 to Attachment 3.1-A of this State

Section 2: Reimbursement for Expanded Substance Use Disorder Treatment Levels of Care

This segment of the State Plan describes the reimbursement methodology for Expanded Substance Use Disorder Treatment Services covered under the rehabilitation benefit and rendered by qualified providers as described in Supplement 3 to Attachment 3.1-A to this State Plan. Qualified providers are DMC certified providers that must be licensed, registered, enrolled, and/or approved in accordance with all applicable state laws and regulations; abide by the definitions, rules, and requirements for stabilization and rehabilitation services established by the Department of Health Care Services; and sign a provider agreement with a county. Beginning October 1, 2020, MAT for OUD services are exclusively covered and reimbursed under the 1905(a)(29) benefit.

A. Definitions

"Narcotic Treatment Program Services" means Narcotic Treatment Program Daily Dosing Services and Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

"Narcotic Treatment Program Dailing Dosing Services" means NTP Core Services, NTP Laboratory Work, MAT for AUD Medications, and MAT for OUD Medications.

"NTP Core Services" means Assessment, Family Therapy, Medical Psychotherapy, Medication Services, Patient Education, and SUD Crisis Intervention Services as those services are defined in Section 13.d.6 of Supplement 3 to Attachment 3.1-A of this State Plan.

"NTP Laboratory Work" means Tuberculin and Syphilis tests, monthly drug screening, and monthly pregnancy tests of female methadone patients.

"Medication for Additiction Treatment for Opioid Use Disorder (MAT for OUD) Medications" means all forms of drugs approved to treat opioid use disorder under Section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 355) and all biological products licensed to treat opioid use disorder under Section 351 of the Public Health Services Act (42 U.S.C. §262).

Medication for Addiction Treatment for Alcohol Use Disorder and Other Non-Opioid Use Disorders (MAT for AUD) Medications"

"Day Services" means Level 1 – Withdrawal Management (WM), Level 2 – WM, and Partial Hospitalization as those terms are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Outpatient Services" means Assessment, Care Coordination, Family Therapy, Group Counseling, Individual Counseling, Medication Services, Patient Education, and SUD Crisis Intervention Services when provided in an Outpatient Treatment Services Level of Care, Intensive Outpatient Treatment Services Level of Care, or Partial Hospitalization Level of Care, and Peer Support Services, Recovery Services, MAT for AUD, MAT for AUD Medication, MAT for OUD, and MAT for OUD Medication provided in any Expanded Substance Use Disorder Level of Care as those services and levels of care are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Eligible Provider" means a public or private provider enrolled in the Medi-Cal program and certified to provide one or more Expanded Substance Use Disorder Treatment Services" as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

"Home Health Agency Market Basket Index" means the IHS Global Inc. CMS Market Basket Index Levels for Home Health Agencies.

"Licensed Practitioner of the Healing Arts (LPHA)" means Physician, Nurse Practitioner (NP), Physician Assistant (PA), Registered Nurse (RN), Registered Pharmacist (RP), Licensed Clinical Psychologist (LCP), Licensed Clinical Social Worker (LCSW), Registered CSW, Licensed Professional Clinical Counselor (LPCC), Registered PCC, Licensed Marriage and Family Therapist (LMFT), Registered MFT, Licensed Vocational Nurse (LVN), Licensed Occupational Therapist (LOT), and Licensed Psychiatric Technician (LPT), as those terms are defined in Supplement 3 to Attachment 3.1-A.

"Provider Type" means Counselor, Clinical Trainee, Licensed Practitioner of the Healing Arts, Medical Director of a Narcotic Treatment Program, Medical Assistant, and Peer Support Specialist, as those terms are defined in Supplement 3 to Attachment 3.1-A of this State Plan.

"Expanded Substance Use Disorder Treatment Services" means Outpatient Services, Twenty-Four-Hour Services, NTP Services, and Withdrawal Management Services.

"Twenty-Four-Hour Services" means Level 3.1-A – Clinically Managed Low-Intensity Residential Services, Level 3.2-WM, Level 3.3-Clinically Managed Population-Specific High Intensity Residential Services, and Level 3.5-Clinically Managed High Intensity Residential Services as those services are defined in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan.

B. Payment Methodology

This segment of the State Plan describes the reimbursement methodology for Eligible Providers of Expanded Substance Use Disorder Treatment Services.

1. Outpatient Services Payment Methodology
 - a. The State pays all Eligible Providers of Outpatient Services on a fee-for-service basis pursuant to a fee schedule established by the State. Eligible Providers claim payment for Outpatient Services using appropriate Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each county where the Eligible Provider is located and combination of Provider Type and CPT®/HCPCS code. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.
 - b. The fee schedule that is effective October 1, 2025, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
 - c. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective October 1, 2025 by the percentage change in the four-quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually: <https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
2. Day Services Payment Methodology
 - a. The State pays all Eligible Providers of Day Services on a fee-for-service basis pursuant to a fee schedule established by the State. Level 1 - WM and Level 2 – WM are paid an hourly rate. Partial Hospitalization is paid a daily rate. The fee schedule contains a rate for each county where the provider is located and each Day Service. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.
 - b. The fee schedule for Day Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/services/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
 - c. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four-quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the following webpage annually: <https://www.dhcs.ca.gov/services/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
3. Twenty-Four-Hour Services Payment Methodology
 - a. The State pays all Eligible Providers of Twenty-Four-Hour Services on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four-Hour Services are paid a per diem rate. The fee schedule contains a rate for each county where the provider is located and each Twenty-Four-Hour Service. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.
 - b. The fee schedule for Twenty-Four-Hour Services that is effective October 1, 2025, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.

- c. The State will annually increase the per-unit rates for Twenty-Four-Hour Services effective October 1, 2025 by the percentage change in the four-quarter average Home Health Agency Market Basket Index.
 - d. Care Coordination, Recovery Support Services, Peer Support Specialist Services, MAT for OUD, and MAT for AUD services provided by Eligible Providers of Twenty-Four-Hour Services area paid pursuant to the methodology described in Section B.1 on page 41c.
4. Narcotic Treatment Program Payment Methodology
- a. The State pays all Eligible Providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are paid a per dose rate. An Eligible Provider must administer MAT for OUD Medication or MAT for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a per dose rate for each County where the Eligible Provider is located. The per dose rate does not include the cost of room and board. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The State will monitor the actual provision of Narcotic Treatment Program Daily Dosing Services reimbursed through this per dose rate.
 - b. The State pays all Eligible Provider for Care Coordination, Individual counseling, Group Counseling, Peer Support Services, and Recovery Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section 1, B1-3, "Outpatient Services Payment Methodology," on page 41c of this State Plan.
 - c. The fee schedule for Narcotic Treatment Program Dailing Dosing Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
 - d. The State will annually increase the daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four-quarter average Home Health Agency Market Basket Index. The fee schedule for the Narcotic Treatment Program Daily Dosing Service is a bundled rate.
 - i. Any Narcotic Treatment Program provider delivering Narcotic Treatment Program Dailing Services will be paid through the bundle and cannot bill separately.
 - ii. Any provider delivering services outside of the Narcotic Treatment Program Daily Dosing Services may bill for those separate services in accordance with this State Plan.
 - iii. The State will periodically monitor the actual provision of services paid under the Narcotic Treatment Program Daily Dosing Services bundled rate to ensure

that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.

5. Community-Based Mobile Crisis Intervention Services Payment Methodology

a. Community-Based Mobile Crisis Intervention Encounters

- i. The State pays all Eligible Providers for Community-Based Mobile Crisis Intervention Encounters a county-based bundled rate for each encounter. The county-based bundled rates effective October 1, 2025, and annually thereafter, are posted to the following webpage:
<https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- ii. The State reimburses all eligible providers, both governmental and private providers, the county-based bundled rate based upon the county where the provider is located.
- iii. The county-based bundled rate is reimbursed for the following service components as those components are defined in Attachment 3.1-A of this State Plan:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
 - Follow up check ins
- iv. A provider must render at least one of the following service components during an encounter to be reimbursed the bundled rate:
 - Assessment
 - Mobile crisis response
 - Crisis planning
 - Referral to ongoing supports
- v. Any provider delivering services through a bundle will be paid through that bundled payment rate and cannot bill separately. Providers delivering separate services outside of the bundle may bill for those separate services in accordance with the State's Medicaid billing procedures. The state will annually increase the county-based bundled rates effective July 1, 2023 by the percentage change in the four-quarter average Home Health Agency Market Basket Index.
- vi. The State will periodically monitor the actual provision of services paid under the county bundled rate to ensure that beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the bundle.

b. Facilitation of a warm handoff

- i. The State will pay all Eligible Providers for facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
 - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse Eligible Providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
 - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of facilitation of a warm handoff effective October 1, 2025 and annually thereafter, are posted to the following webpage:
<https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- ii. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four-quarter average Home Health Agency Market Basket Index.