



JENNIFER KENT
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DEC 29 2016

Ms. Henrietta Sam-Louie
Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 16-046: MEDI-CAL REIMBURSEMENT RATES FOR RADIOLOGY SERVICES.

Dear Ms. Sam-Louie:

The California Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 16-046 documents for your review and approval. Following discussions with Centers for Medicare and Medicaid Services (CMS), DHCS is submitting this SPA to clearly identify the current annual reimbursement methodology for Fee-For-Service (FFS) outpatient provider rates for Radiology Services.

Senate Bill (SB) 853 (Chapter 717, Statutes of 2010) added Welfare and Institutions (W&I) code section 14105.08 which requires DHCS to annually reduce Medi-Cal reimbursement rates for Radiology Services so they do not exceed 80 percent of the corresponding Medicare rate. This SPA clarifies the current practice that Medi-Cal rates will be adjusted so they do not exceed 80 percent of the applicable Medicare payment levels, as currently described on page 3K of 4.19-B of the State Plans.

The following SPA documents are enclosed for your review and approval:

- HCFA 179-Transmittal and Notice Approval of State Plan Material
- Page 3K of Attachment 4.19-B (Clean)
- Page 3K of Attachment 4.19-B (Redlined)

A Notice of Public Interest for the continuation of radiology rate reimbursements, was published on September 30, 2016 on the DHCS webpage. On November 18, 2016, CMS informed DHCS that a tribal notice was not required for this SPA. In addition, CMS confirmed DHCS that a public input process was not required for this SPA.

Ms. Henrietta Sam-Louie

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If you have any questions or need additional information, please contact Ms. Connie Florez, Chief, Fee-For-Service Rates Development Division, at (916) 552-9600.

Sincerely,

ORIGINAL SIGNATURE

Mari Cantwell
Chief Deputy Director
Health Care Programs
State Medicaid Director

Enclosures

cc: Ms. Connie Florez, Chief
Fee-For-Service Rates Development Division
1501 Capitol Avenue, MS 4600
Sacramento, CA 95814

Ms. Cheryl Young
Division of Medicaid & Children's Health Operations
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 16-046	2. STATE California
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE October,1, 2016	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (*Check One*):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447, Subpart F	7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 292,510 b. FFY \$
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B page 3K	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B page 3K

10. SUBJECT OF AMENDMENT:

Medi-Cal reimbursement rates for Radiology Services.

11. 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:
The Governor's Office does not
wish to review the State Plan Amendment.

ORIGINAL SIGNED -

State Medicaid Director

15. DATE SUBMITTED:

16. RETURN TO:

**Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.3.26
P.O. Box 997417
Sacramento, CA 95899-7417**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED:
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME:	22. TITLE:
23. REMARKS:	

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

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 through September 30, 2016. All Medi-Cal Fee for Services rates are published at:
<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.
- 2) The department's fee schedule rates, set as of October 1, 2016, and annually thereafter, will be adjusted so they do not exceed 80 percent of the applicable Medicare payment levels. All Medi-Cal Fee for Services rates are published at:
<http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>.

Radiology Rate Reduction Summary

Year	Codes Affected	Savings TF	Savings GF
2014	511	\$28,744,804	\$14,372,402
2015	352	\$20,426,453	\$10,213,227
2016	180	\$585,019	\$292,510

2016 Rate Adjustment effective, October 1, 2016 - September 30, 2017

For HCFA FFY 2017: \$292,510