DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

September 21, 2018

Mari Cantwell
Chief Deputy Director, Health Care Programs
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

Enclosed is an approved copy of California State Plan Amendment (SPA) 18-0032, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 29, 2018. SPA 18-0032 authorizes reimbursement under the Prospective Payment System (PPS) methodology for services performed by qualifying Teaching Health Center Graduate Medical Education primary care resident physicians at participating Federally Qualified Health Centers and Rural Health Clinics.

The effective date of this SPA is April 1, 2018. Enclosed are the following approved SPA pages that should be incorporated into your approved state plan:

- Limitations on Attachment 3.1-A, pages 3 and 3c
- Limitations on Attachment 3.1-B, pages 3 and 3c
- Attachment 4.19-B, page 6B.1

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

/s/

Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

cc: Rene Mollow, DHCS
Sandra Willburn, DHCS
Corinne Chavez, DHCS
Nathaniel Emery, DHCS
Angeli Lee, DHCS

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: 18-032

2. STATE: CA

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: April 1, 2018

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
Section 1905(a)(2)(b), 1905(a)(2)(c) and 1902(bb) of the Social Security Act

7. FEDERAL BUDGET IMPACT
a. FFY 2018 $ Budget Neutral
b. FFY 2019 $ Budget Neutral

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Limitations on Attachment 3.1-A Page 3
Limitations on Attachment 3.1-A Page 3c
Limitations on Attachment 3.1-B Page 3
Limitations on Attachment 3.1-B Page 3c
Attachment 4.19-B Page 6B.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Limitations on Attachment 3.1-A Page 3
Limitations on Attachment 3.1-A Page 3c
Limitations on Attachment 3.1-B Page 3
Limitations on Attachment 3.1-B Page 3c
Attachment 4.19-B Page 6B.1

10. SUBJECT OF AMENDMENT
Authorizes reimbursement, under the Prospective Payment System (PPS) methodology, for services performed by qualifying Teaching Health Center Graduate Medical Education primary care resident physicians at participating Federally Qualified Health Centers and Rural Health Clinics.

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

Mari Cantwell

14. TITLE
State Medicaid Director

15. DATE SUBMITTED
June 29, 2018

16. RETURN TO
Department of Health Care Services
Attn: State Plan Coordinator
1501 Capitol Avenue, Suite 71.326
P.O. Box 997417
Sacramento, CA 95899-7417

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
June 29, 2018

18. DATE APPROVED
September 21, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
April 1, 2018

20. SIGNATURE OF REGIONAL OFFICIAL
/s/

21. TYPED NAME
Hye Sun Lee

22. TITLE Acting Associate Regional Administrator, Division of Medicaid & Children's Health Operations

23. REMARKS

For Box 11 "OTHER, As Specified" : Please note: The Governor's Office does not wish to review the State Plan Amendment.
Box 16: CMS made a pen & ink change to add DHCS' return address per CA's approval via email dated 9/14/18.

TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS
2a Hospital outpatient department services and community hospital outpatient clinic.		All services, including physician's services, are subject to the same requirements as when provided in a non-facility setting. Mental health services are identified in the SD/MC agreement, along with the appropriate utilization controls for that delivery system. Beneficiaries may elect to receive service through either the regular Medi-Cal program of the SD/MC system.
2b Rural Health Clinic services and other ambulatory services covered under the state plan.	The following Rural Health Clinic (RHC) services are covered under this state plan: 1.Physician services for RHC purposes, physicians are defined as follows: a. A doctor of medicine or osteopathy authorized to practice medicine and surgery by the State and who is acting within the scope of his/her license. 1. A primary care resident physician, in a HRSA or State sponsored Teaching Health Center Graduate Medical Education (THCGME) Program, supervised by a designated teaching physician. b. A doctor of podiatry authorized to practice podiatric medicine by the State who is acting within the scope of his/her license c. A doctor of optometry authorized to practice optometry by the State and who is acting within the scope of his/her license d. A doctor of chiropractics authorized to practice chiropractics by the State and who is acting within the scope of his/her license.	Rural health clinics do not require Treatment Authorization Request (TAR) before rendering services; however, RHCs must provide documentation in the medical record that the service was medically necessary. A teaching physician (TP) is identified by the sponsored THCGME Program, which is administered by the Health Resources and Services Administration (HRSA) or State sponsored THCGME Program. The TP may not supervise more than 4 primary care residents at a time. The THCGME Program is required to be accredited by the American Council of Graduate Medical Education.

*Prior authorization is not required for emergency services.
** Coverage is limited to medically necessary services.

TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS
2c and 2d Federally Qualified Health Center (FQHC) services and other ambulatory services covered under the state plan.	The following FQHC services are covered under this state plan: 1. Physician services For FQHC purposes, physicians are defined as follows: a. A doctor of medicine or osteopathy authorized to practice medicine and surgery by the State and who is acting within the scope of his/her license 1. A primary care resident physician, in a HRSA or State sponsored Teaching Health Center Graduate Medical Education (THCGME) Program, supervised by a designated teaching physician. b. A doctor of podiatry authorized to practice pediatric medicine by the State and who is acting within the scope of his/her license. c. A doctor of optometry authorized to practice optometry by the State and who is acting within the scope of his/her license. d. A doctor of chiropractics authorized to practice chiropractics by the State and who is acting within the scope of his/her license. e. A doctor of dental surgery (dentist) authorized to practice dentistry by the State and who is acting within the scope of his/her license. 2. Physician Assistant (PA) who is authorized to practice PA services by the State and who is acting within the scope of his/her license. 3. Nurse Practitioner (NP) who is authorized to practice NP services by the State and who is acting within the scope of his/her license.	FQHC do not require Treatment Authorization Request (TAR) before rendering services; however, FQHC must provide documentation in the medical record that the service was medically necessary A teaching physician (TP) is identified by the sponsored THCGME Program, which is administered by the Health Resources and Services Administration (HRSA) or State sponsored THCGME Program. The TP may not supervise more than 4 primary care residents at a time. The THCGME Program is required to be accredited by the American Council of Graduate Medical Education.

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(b) Optional services that are furnished by an FQHC and RHC within the scope of subparagraph C.l(a), or any other provision of this State Plan, are covered only to the extent that they are identified in the State Plan segments titled, "Limitations on Attachment 3.1-A" and "Limitations on Attachment 3.1-B" on pages 3 through 3e, effective July 1, 2016.

2. A "visit" for purposes of reimbursing FQHC or RHC services includes any of the following:

(a) A face-to-face encounter between an FQHC or RHC patient and a physician, a resident in a Teaching Health Center Graduate Medical Education Program under the supervision of a teaching physician (effective 04/01/2018), physician assistant, nurse practitioner, acupuncturist, certified nurse