

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
MARCH 13, 2020**

**PROPOSED SPA TO ESTABLISH MEDI-CAL FEE-FOR-SERVICE
REIMBURSEMENT RATES FOR THE 2019-NOVEL CORONAVIRUS (COVID-19)
DIAGNOSTIC TESTING**

This notice serves to provide information of public interest with respect to establishing Medi-Cal Fee-For-Service reimbursement rates for the 2019-Novel Coronavirus (COVID-19) laboratory testing. The Department of Health Care Services (DHCS) proposes to submit State Plan Amendment (SPA) 20-0024, effective date of February 4, 2020, to the federal Centers for Medicare and Medicaid Services (CMS) for federal approval.

A public health emergency was declared for the United States, on January 31, 2020, and a national emergency was declared under the Stafford Act on March 13, 2020, due to the Coronavirus outbreak. As a result, CMS established HCPCS codes, U0001 and U0002, for COVID-19 diagnostic testing services, effective February 4, 2020. Accordingly, DHCS needs to establish reimbursement rates for the new codes, U0001 and U0002, and proposes to set the rates at 100% of the corresponding Medicare rate, effective February 4, 2020. The proposed rates will be based on the most recent corresponding Medicare rates published at the time of submission. DHCS also proposes to exempt these codes from the 10 percent payment reductions in Welfare and Institutions Code section 14105.192, as described at Attachment 4.19-B, page 3.3, paragraph 13 of the State Plan.

The proposed SPA is subject to approval by CMS. DHCS is concurrently seeking federal approval for the establishment of the rates for U0001 and U0002 and exemption from the 10 percent payment reduction through a waiver under Section 1135 of the Social Security Act.

DHCS anticipates a fiscal impact that would result in an increase in the annual aggregate expenditures for clinical lab services, resulting from the addition of the new codes and their associated reimbursements; however, the fiscal impact is unknown at this time due to the uncertainty of the need for testing and ability for laboratory services providers to conduct the tests.

Public Review and Comments

Upon submission to CMS, a copy of proposed SPA 20-0024 will be published at:

https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2020.aspx

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 the proposed SPA or a copy of submitted public comments related to SPA 20-0024 by requesting it in writing

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to the mailing address or e-mail address below. Please indicate SPA 20-0024 in the subject line or message.

Any written comments may be sent to: Department of Health Care Services, Fee-For-Service Rate Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899, or may be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA 20-0024 in the subject line or message.

A copy of submitted public comments to SPA #20-0024 may be requested in writing to the mailing or email addresses identified above.

Release date: March 13, 2020