

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 17, 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) 18-0037, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on July 2, 2018. SPA 18-0037 allows the California Department of Health Care Services (DHCS) to sunset the current one percent payment reduction applicable to Home Health Agency (HHA) services and to increase reimbursement rates by 50 percent for state plan HHA services and certain Pediatric Day Health Center (PDHC) services effective July 1, 2018. The rate increase also will apply to HHA services under the approved 1915(i) home and community-based services SPA and the applicable 1915(c) Home and Community Based Services (HCBS) waivers.

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

- Attachment 4.19-B, page 3.4
- Attachment 4.19-B, page 20a

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: Lindy Harrington, DHCS
Connie Florez, DHCS
Nathaniel Emery, DHCS
Angeli Lee, DHCS

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

- (8) For dates of service on or after March 1, 2009, reimbursement for the following outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B are reduced by one percent:
- Any and all services provided and billed by Physicians and Clinics to beneficiaries less than age 21, as described in Attachment 3.1-A, sections 5a and 9.
 - Home health services, as described in Attachment 3.1-A, section 7 (refer to rates on page 20a in this Attachment).
 - For dates of service on or after July 1, 2018, the one percent reduction for home health services, as described in Attachment 3.1-A, section 7, is terminated and no longer applicable.
- (9) For dates of service on or after March 1, 2009, through and including May 31, 2011, reimbursement for outpatient services described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B will be reduced by one percent. Providers and services subject to this reduction include:
- a. Any and all services provided and billed by Physicians and Clinics to beneficiaries aged 21 and older, as described in Attachment 3.1-A, sections 5a and 9.
 - b. Medical transportation (emergency and nonemergency), as described in Attachment 3.1-A, section 24a, and in Attachment 3.1-B, section 23a.
 - c. Services provided and billed by Optometrists, as described in Attachment 3.1-A, section 6b.
 - d. Services provided and billed by Dentists, as described in Attachment 3.1-A, section 10.
 - e. Providers and services included in Supplement 15 of this Attachment.
- (10) For dates of service on or after March 1, 2009, through and including April 5, 2009, and dates of service on or after January 1, 2011, through and including April 12, 2011, reimbursement for outpatient hospital services set forth in Attachment 3.1-A, section 2a, rendered in and billed by a hospital outpatient department, described on page 1, paragraph (2), otherwise payable in accordance with the methods and standards described on page 1, paragraph (1), in this Attachment 4.19-B, are reduced by one percent.

Reimbursement Rates for Home Health (HH) as defined under 1905(a)(7) and Rehabilitative Services - Pediatric Day Health Care Services as defined under 1905(a)(13)(C)

The State-developed fee schedule rates are the same for both public and private providers of Home Health and Pediatric Day Health Care (PDHC) services provided under Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. The rates in effect on June 30, 2018 for Home Health and PDHC services will be increased by 50 percent, effective July 1, 2018, as shown in the table below. This paragraph supersedes any prior provisions concerning reimbursement for Home Health and/or PDHC services in the State Plan. All Medi-Cal Fee-for-Service rates are published at: <http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp>

| Procedure Code | Medi-Cal Rate Effective July 1, 2018 | Procedure Code | Medi-Cal Rate Effective July 1, 2018 |
|----------------|--------------------------------------|----------------|--------------------------------------|
| Z5804 | \$47.91 | Z5834 | \$44.12 |
| Z5805 | \$52.70 | Z5835 | \$48.53 |
| Z5806 | \$36.63 | Z5836 | \$68.15 |
| Z5807 | \$40.29 | Z5838 | \$28.35 |
| Z5832 | \$60.86 | Z5840 | \$53.66 |
| Z5833 | \$66.95 | Z5868 | \$44.12 |