State Plan Under Title XIX of the Social Security Act
State: California

NON-INSTITUTIONAL SERVICES

The following is a list of the non-institutional services set forth in Section 1905(a) of the Social Security Act that are reimbursed using the methodology set forth in Attachment 4.19-B, page 1, paragraph C. The numbering of the list below is taken from the list provided in Attachment 3.1-A entitled, Amount, Duration, and Scope of Medical and Remedial Care and Services Provided to the Categorically Needy:

2.a. Outpatient hospital services, including durable medical equipment as described in Attachment 4.19-B, pages 3a-3f, other than the supplemental payment reimbursement methodologies for hospital outpatient services that are identified and described in Attachment 4.19-B, pages 46-50; Attachment 4.19-B, pages 51-51c; and Supplement 14 to Attachment 4.19-B.

3. Other Laboratory and X-Ray Services

4.b. Early and periodic screening, diagnostic and treatment services, which include services for Pediatric Day Health Centers, for individuals under 21 years of age, and treatment of conditions found.

4.c Family planning services and supplies for individuals of child-bearing age and for individuals eligible pursuant to Att. 2.2-A, B, if this eligibility option is elected by the State.

4.c.1 Family planning-related services provided under the above State Eligibility Option.

5.a. Physicians' services, billed separately, whether furnished in the office, the patient's home, a hospital, a nursing facility, or provided anywhere else necessary.

6. Medical care and any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law, as referenced in Attachment 3.1-A and 3.1-B.

a. Podiatrists' services.

c. Chiropractors' services.

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d. Other practitioners' services.

7. Home health services.

c.2. Durable medical equipment reimbursed as described in Attachment 4.19-B, pages 3a-3f.

9. Clinic services, other than those specific clinic services that are identified and described in Supplements 5, 9 and 10 to Attachment 4.19-B.

11. Physical therapy and related services.

a. Physical therapy.

b. Occupational therapy.

c. Services for individuals with speech, hearing, and language disorders (provided by or under the supervision of a speech pathologist or audiologist).

12. Prosthetic devices; hearing aids; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

c. Prosthetic devices and hearing aids.

d. Eye glasses.

13. Other preventive services, i.e., other than those provided elsewhere in the plan, as referenced in Attachment 3.1-A and 3.1-B. Excludes substance abuse services provided under Drug Medi-Cal.

c. Preventive services.

17. Nurse-midwife services.

18. Hospice care.

20. Extended services for pregnant women.

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a. Pregnancy-related and postpartum services for a 60-day period after the pregnancy ends and any remaining days in the month in which the 60th day falls.

b. Services for any other medical conditions that may complicate pregnancy.

21. Ambulatory prenatal care for pregnant woman furnished during a presumptive eligibility period by an eligible provider.

23. Certified pediatric or family nurse practitioners' services.

24. Any other medical care and any other type of remedial care recognized under State law, specified by the Secretary.

a. Transportation.

e. Emergency outpatient hospital services.

REIMBURSEMENT METHODOLOGY FOR ESTABLISHING REIMBURSEMENT RATES FOR DURABLE MEDICAL EQUIPMENT, ORTHOTIC AND PROSTHETIC APPLIANCES, AND LABORATORY SERVICES

1. The methodology utilized by the State Agency in establishing reimbursement rates for durable medical equipment as described in State Plan Attachment 3.1-A, paragraph 2a, entitled "Hospital Outpatient Department Services and Organized Outpatient Clinic Services", and Paragraph 7c.2, entitled "Home Health Services Durable Medical Equipment", will be as follows:

   (a) Reimbursement for the rental or purchase of durable medical equipment with a specified maximum allowable rate established by Medicare, except wheelchairs, wheelchair accessories, wheelchair replacement parts, and speech-generating devices and related accessories, shall be the lesser of the following:

      (1) The amount billed in accordance with California Code of Regulations, Title 22, section 51008.1, entitled "Upper Billing Limit", that states that bills submitted shall not exceed an amount that is the lesser of the usual charges made to the general public or the net purchase price of the item (as documented in the provider's books and records), plus no more than a 100 percent mark-up. (Refer to Reimbursement Methodology table at page 3e.)

      (2) Effective January 1, 2019, reimbursement rates will not exceed 80 percent of the allowable rate for California established by the federal Medicare program for the same or similar item or service, as provided under the Medicare rural rates fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies. (Refer to Reimbursement Methodology Table at page 3e.)

   (b) Reimbursement for the rental or purchase of a wheelchair, wheelchair accessories, wheelchair replacement parts, and speech-generating devices and related accessories, with a specified maximum allowable rate established by Medicare shall be the lowest of the following:

      (1) The amount billed in accordance with California Code of Regulations, Title 22, Section 51008.1 entitled "Upper Billing Limit", that states that bills submitted shall not exceed an amount that is the lesser of the usual charges made to the general public, or the net purchase price of the item (as documented in the provider's books and records), plus no more than 100 percent mark-up. (Refer to Reimbursement Methodology Table at page 3e.)

(2) Effective January 1, 2019, reimbursement rates will not exceed 100 percent of the allowable rate for California established by the federal Medicare program for the same or similar item or service, as provided under the Medicare rural rates fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies. (Refer to Reimbursement Methodology Table at page 3e.)

(c) Reimbursement for the rental or purchase of all durable medical equipment billed to the Medi-Cal program utilizing HCPCS codes with no specified maximum allowable rate (either non- covered by Medicare or Medicare did not establish a reimbursement rate), except wheelchairs, wheelchair accessories, and wheelchair replacement parts, shall be the lowest of the following:

(1) The amount billed in accordance with California Code of Regulations, Title 22, section 51008.1 entitled "Upper Billing Limit", that states that bills submitted shall not exceed an amount that is the lesser of the usual charges made to the general public, or the net purchase price of the item, (as documented in the provider's books and records) plus no more than 100 percent mark-up. (Refer to Reimbursement Methodology Table at page 3e.)

(2) The actual acquisition cost plus a markup to be established by the State Agency based on rate studies and periodic reviews to provide a reasonable reimbursement and maintain adequate access to care. (Refer to Reimbursement Methodology Table at page 3e.)

(3) The manufacturer's suggested retail purchase price, documented by a printed catalog or hard copy of an electronic catalog page published on a date defined by Welfare and Institution Code section 14105.48, reduced by a percentage discount of 20 percent. (Refer to Reimbursement Methodology Table at page 3e.)

(d) Reimbursement for the rental or purchase of wheelchairs, wheelchair accessories, and wheelchair replacement parts billed to the Medi-Cal program utilizing codes with no specified maximum allowable rate (either non-covered by Medicare or Medicare did not establish a reimbursement rate) shall be the lowest of the following:

(1) The amount billed in accordance with California Code of Regulations, Title 22, section 51008.1 entitled "Upper Billing Limit", that states that bills submitted shall not exceed an amount that is the lesser of the usual charges made to the general public, or the net purchase price of the item, (as documented in the provider's books and records) plus no more than 100 percent mark-up. (Refer to Reimbursement Methodology Table at page 3e.)

(2) The actual acquisition cost plus a markup to be established by the State Agency based on rate studies and periodic review to assure adequate reimbursement and access to care. (Refer to Reimbursement Methodology Table at page 3e.)

(3) The manufacturer's suggested retail purchase price, documented by a printed catalog or a hard copy of an electronic catalog page published on a date defined by Welfare and Institutions Code section 14105.48, reduced by a percentage discount of 20 percent, or by 15 percent if the provider employs or contracts with a qualified rehabilitation professional. (Refer to Reimbursement Methodology at page 3f)

(e) Reimbursement for the purchase of all durable medical equipment supplies and accessories without a specified maximum allowable rate (either non-covered by Medicare or Medicare did not establish a reimbursement rate), and which are not described in subparagraphs (a)-(d) above, shall be the lesser of the following;

(1) The amount billed in accordance with California Code of Regulations, Title 22, section 51008.1 entitled (“Upper Billing Limit", that states that bills submitted shall not exceed an amount that is the lesser of the usual charges made to the general public, or the net purchase price of the item (as documented in the provider's books and records) plus no more than 100 percent mark-up. (Refer to Reimbursement Methodology Table at page 3e.)

(2) The acquisition cost for the item, plus a 23 percent markup. (Refer to Reimbursement Methodology Table at page 3f.)

2. Except as otherwise noted in the State Plan, state-developed fee schedule rates established in accordance with Attachment 4.19-B, beginning on page 3a, are the same for both governmental and private providers of DME and the fee schedule. The fee schedule rates will be adjusted after the approval date and will be effective for items or services provided on or after January 1, 2019. All Medi-Cal fee-for-service rates are published at:
http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp

3. Except as otherwise noted in the State Plan, state-developed fee schedules are the same for both governmental and private providers of prosthetic and orthotic appliances as described in State Plan Attachment 3.1-A, paragraph 12c, entitled "Prosthetic and Orthotic Appliances." The agency's fee schedule rates are set as of July 1, 2015 for services provided on or after that date. (Refer to Reimbursement Methodology Table at page 3f.) All rates for prosthetic and orthotic appliances are published at: http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp

4. Reimbursement rates for clinical laboratory or laboratory services as described in State Plan Attachment 3.1-A, paragraph 3, entitled "Laboratory, Radiological, and Radioisotope Services," will be developed by the Department of Health Care services (DHCS) using the following methodology:
   (a) Request and compile: (1) the lowest rates that other third-party payers, other than Medicaid and Medicare, are paying excluding all rates paid over 80 percent of the Medicare maximum allowable for California; and (2) the associated third-party payer utilization data for clinical laboratories and laboratory services.
   (b) Calculate rates using a weighted average, based on the submitted third-party payer rate and utilization data referenced in 4a, on a per test basis.
   (c) The ten percent payment reduction included in 4.19-B, page 3.3, paragraph (13) shall apply to the new rates calculated using the methodology described in this paragraph.
   (d) The agency's fee schedule rates are set as of July 1, 2015 and are effective for services provided on or after that date. All rates for clinical laboratories and laboratory services are published at: http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp

Reimbursement Methodology Table

Paragraph	Effective Date	Percentage/Methodology	Authority
1(a)(1), (b)(1), (c)(1), (d)(1), (e)(1)	August 28, 2013	No more than 100 percent markup	California Code of Regulations, title 22, section 51008.1
1(a)(2)	January 1, 2019	Does not exceed 80% of the allowable rate for California established by the federal Medicare program for the same or similar item or service, as provided under the Medicare rural rates fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies	California Welfare and Institutions Code section 14105.48
1(b)(2)	January 1, 2019	Does not exceed 100% of the allowable rate for California established by the federal Medicare program for the same or similar item or service, as provided under the Medicare rural rates fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies	California of Welfare and Institutions Code section 14105.48
1(c)(2)	November 1, 2003	The acquisition cost plus a 67% markup	Rate Study
1(c)(3)	November 1, 2003	The manufacturer's suggested retail purchase price reduced by percentage discount of 20%	California Welfare and Institutions Code section 14105.48
1(d)(2)	January 1, 2004	The acquisition cost plus a 67% markup	Rate Study

Reimbursement Methodology Table

Paragraph	Effective Date	Percentage/Methodology	Authority
l (d)(3)	January l, 2004	The manufacturer's suggested retail purchase price reduced by a percentage discount of 20%, or by 15% if the provider employs or contracts with a qualified rehabilitation professional	California Welfare and Institutions Code section 14105.48
l (e)(2)	October 1, 2003	The acquisition cost plus a 23% markup	California Welfare and Institutions Code section 14105.48
3	July 1, 2015	As referenced in Attachment 4.19-B Page 3d, Paragraph Number 3	California Welfare and Institutions Code section 14105.21
4	July 1, 2015	Rates calculated using a weighted average, based on submitted third-party payer rate and utilization data. The new rate calculated above shall not exceed 80% of the lowest maximum allowance for California established by Medicare for the same or similar services.	California Welfare and Institutions Code section 14105.22