

September 30, 2025

*THIS LETTER SENT VIA EMAIL*

Ms. Courtney Miller, Director  
Division of Program Operations  
Medicaid and CHIP Operations Group  
Centers for Medicare & Medicaid Services  
601 East 12th Street, Room 355  
Kansas City, MO 64106

**WITHDRAWAL OF STATE PLAN AMENDMENT 20-0042: SUPPLEMENTAL  
PAYMENTS FOR HOSPITAL INPATIENT SERVICES**


Dear Ms. Miller:

In response to the Centers for Medicare and Medicaid Services' (CMS) request, the California Department of Health Care Services (DHCS) is withdrawing State Plan Amendment (SPA) 20-0042. This SPA proposed additional supplemental reimbursement to hospitals for the provision of inpatient services to Medi-Cal beneficiaries. DHCS originally submitted SPA 20-0042 on September 22, 2020.

The purpose of this SPA was to allow DHCS to issue supplemental payments to hospitals up to the aggregate upper payment limit (UPL) lookback without supplanting specified existing levels of payments. In accordance with the UPL demonstration requirements outlined in State Medicaid Director Letter (SMDL) #13-003, DHCS has determined that there is no additional inpatient UPL room for SFY 2020-21.

We look forward to future collaborations with CMS that will continue to enhance health service delivery to those we serve. If you have any questions or need additional information, please contact Katie Brooks, Division Chief of the Safety Net Financing Division, at (916) 345-7937 or by email at [Katie.Brooks@dhcs.ca.gov](mailto:Katie.Brooks@dhcs.ca.gov).

Sincerely,

  
Tyler Sadwith  
State Medicaid Director  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services

cc: See Next Page

cc: Lindy Harrington  
Assistant State Medicaid Director  
Director's Office  
Department of Health Care Services  
[Lindy.Harrington@dhcs.ca.gov](mailto:Lindy.Harrington@dhcs.ca.gov)

Saralyn M. Ang-Olson, JD, MPP  
Chief Compliance Officer  
Office of Compliance  
Department of Health Care Services  
[Saralyn.Ang-Olson@dhcs.ca.gov](mailto:Saralyn.Ang-Olson@dhcs.ca.gov)

Rafael Davtian  
Deputy Director  
Health Care Financing  
Department of Health Care Services  
[Rafael.Davtian@dhca.ca.gov](mailto:Rafael.Davtian@dhca.ca.gov)

Luke Koushmaro  
Assistant Deputy Director  
Health Care Financing  
Department of Health Care Services  
[Luke.Koushmaro@dhcs.ca.gov](mailto:Luke.Koushmaro@dhcs.ca.gov)

Katie Brooks  
Division Chief  
Safety Net Financing Division  
Department of Health Care Services  
[Katie.Brooks@dhcs.ca.gov](mailto:Katie.Brooks@dhcs.ca.gov)

Shiela Arrington  
Branch Chief  
Safety Net Financing Division  
Department of Health Care Services  
[Shiela.Arrington@dhcs.ca.gov](mailto:Shiela.Arrington@dhcs.ca.gov)