

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 21-0038: 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) 21-0038. This SPA proposed additional supplemental reimbursement to hospitals for the provision of inpatient services to Medi-Cal beneficiaries. DHCS originally submitted SPA 21-0038 on September 16, 2021.

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 2021-22.

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.

Sincerely,


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

cc: See Next Page

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