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State/Territory Name: CA

State Plan Amendment (SPA) #: 23-0010

This file contains the following documents in the

order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Center for Medicaid & CHIP Services

230 South Dearborn

Chicago, Illinois 60604



Financial Management Group

January 6, 2025

Tyler Sadwith
State Medicaid Director,
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

RE: TN 23-0010

Dear Director Sadwith

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-23-0010, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 30, 2023. This SPA authorizes an Alternative Payment Methodology (APM) for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) and a supplemental payment for Tribal health providers for the provision of eligible dyadic services.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the State, we have approved the amendment with an effective date of March 15, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or blake.holt@cms.hhs.gov.

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _____ \$ ~~1,075,690~~b. FFY _____ \$ ~~1,844,041~~

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

*and 6AA7**—2d**Supplement 6 to Attachment 4.19-B, page 4 and 4a*8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)*Supplement 6 to Attachment 4.19-B, page 4*

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review
the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

March 30, 2023

15. RETURN TO

FOR CMS USE ONLY

16. DATE RECEIVED

March 30, 2023

17. DATE APPROVED

January 6, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

March 15, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Todd McMillion

21. TITLE OF APPROVING OFFICIAL

Director, Division of Reimbursement Review

22. REMARKS

10/21/24: State concurs with pen and ink change to Box 6.
10/21/24 and 12/7/24: State concurs with pen and ink
changes to Boxes 7 and 8.

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

A1. ALTERNATIVE PAYMENT METHODOLOGY (APM) for payments to Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) for Dyadic Services

- a. This APM authorizes payment for dyadic services, as defined in the May 11, 2016 CMCS Informational Bulletin, provided by FQHCs and RHCs, which would be in addition to the Medi-Cal member's applicable Prospective Payment System (PPS) visit rate.
- b. APM Reimbursement:
 - i. FQHCs and RHCs must agree to receive the APM, and the total amount paid under this APM will not be less than what would be paid under the PPS methodology.
 - ii. Payment for dyadic FQHC and RHC services will be reimbursed at the applicable fee-for-service (FFS) rate in addition to the Medi-Cal member's visit, which is reimbursed at the applicable PPS rate, pursuant to existing visit limitations.
 - iii. If FQHCs or RHCs have met their visit per day limitation, then dyadic services provided to a Medi-Cal eligible member (child or parent/caretaker) will be reimbursed at the FFS rate.
 - iv. Any dyadic services that are provided to a non-Medi-Cal eligible parent/caregiver for the direct benefit of the Medi-Cal eligible child will be reimbursed at the FFS rate.
 - v. Medi-Cal managed care plan reimbursement for dyadic services in an amount not exceeding the applicable Medi-Cal FFS rate will be excluded from the reconciliation of clinics' reimbursement to the PPS rate pursuant to Section L (beginning on page 6R).
 - vi. For FQHCs and RHCs that have agreed to receive this APM undergoing a scope-of-service rate change pursuant to Section K (beginning on Page 6M), the calculation of the newly established per visit rate shall exclude the amount of reimbursement for dyadic services paid under this APM at the applicable FFS rate or received from Medi-Cal managed care plans in an amount not exceeding the applicable FFS rate.
- c. APM Term:
 - i. For dates of service on or after March 15, 2023, the reimbursement rates for dyadic services will be established based on Medi-Cal FFS fee schedule rate.
 - ii. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers of dyadic services. All Medi-Cal FFS rates are published at <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates?tab=rates>.

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

- d. Eligible Dyadic Services:
- i. Behavioral Health Well-Child Visits
 - ii. Comprehensive Community Support Services
 - iii. Psychoeducational Services
 - iv. Family Training and Counseling for Child Development
 - v. Caregiver Services

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

REIMBURSEMENT FOR INDIAN HEALTH SERVICES TRIBAL 638 HEALTH
FACILITIES

Payment for Dyadic Services for Indian Health Service-Memorandum of Agreement
(IHS-MOA clinics)

- a. This supplemental payment authorizes payment for dyadic services, as defined in the March 11, 2016 CMCS Informational Bulletin, provided by IHS-MOA clinics, which would be in addition to the Medi-Cal member's All-Inclusive Rate (AIR) visit rate.
- b. Supplemental Reimbursement:
 - i. Payment for dyadic IHS-MOA clinic services will be reimbursed at the applicable Fee-For-Service (FFS) rate in addition to the Medi-Cal member's visit, which is reimbursed at the AIR, pursuant to existing visit limitations.
 - ii. If IHS-MOA clinics have met their visit per day limitation, then dyadic services provided to a Medi-Cal eligible member (child or parent/caretaker) by a billable practitioner will be reimbursed at the applicable FFS rate.
 - iii. Any dyadic services that are provided to a non-Medi-Cal eligible parent/caregiver for the direct benefit of a Medi-Cal eligible child will be reimbursed at the FFS rate.
- c. Payment Term:
 - i. For dates of service on or after March 15, 2023, the reimbursement rates for dyadic services will be established based on Medi-Cal FFS fee schedule rate.
 - ii. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers of dyadic services. All Medi-Cal FFS rates are published at <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates?tab=rates>.
- d. Eligible Dyadic Services:
 - i. Behavioral Health Well-Child Visits
 - ii. Comprehensive Community Support Services
 - iii. Psychoeducational Services
 - iv. Family Training and Counseling for Child Development
 - v. Caregiver Services

Alternative Payment Methodology (APM) for Tribal Federally Qualified Health Centers (Tribal-FQHC)

1. Tribal facilities operating in accordance with section 1905(l)(2)(B) of the Social Security Act (the Act) and the Indian Self-Determination Act (Public Law 93-638) that enroll in Medi-Cal as a Tribal-FQHC will be paid using an Alternative Payment Methodology (APM) that is the All-Inclusive Rate (AIR) for services published annually in the Federal Register. Individual Tribal FQHCs must agree to receive the APM.
2. Medi-Cal will establish an APM utilizing the Prospective Payment System (PPS) methodology for Tribal FQHCs so that DHCS can determine on an annual basis that the published AIR is higher than the PPS rate. The PPS rate will be established by reference to payments to one or more other clinics with similar caseloads. The Tribal FQHCs would not be required to report FQHC reportable costs for the purposes of establishing a PPS rate.
3. Tribal FQHCs will be reimbursed for up to three visits per day, per beneficiary, in any combination of medical, mental health, dental, and ambulatory visits.
4. Tribal FQHCs that furnish services under a contract with a managed care plan, as defined in Section 1932(a)(1)(B) of the Act, will receive supplemental payments from the State, equal to the difference between what was paid by the managed care entity for FQHC services and the amount they are entitled to under the PPS or APM rate, as required by Section 1902(bb)(5) of the Act. The wrap around supplement payment shall be made no less frequently than every four month and reconciled no less than annually. Payments related to yearly reconciliations will be made within the two [1] year payment requirement at 42 CFR Section 447.45 and 45 CFR Section 95, Subpart A.

Alternative Payment Methodology (APM) for Tribal Federally Qualified Health Centers (Tribal FQHCs) for Dyadic Services

- a. This APM authorizes payment for dyadic services, as defined in the March 11, 2016, CMCS Informational Bulletin, provided by Tribal FQHCs, which would be in addition to the Medi-Cal member's All-Inclusive Rate (AIR) visit rate.
- b. APM Reimbursement:
 - i. Payment for dyadic Tribal FQHC services will be reimbursed at the applicable Fee-For-Service (FFS) rate in addition to the Medi-Cal member's visit, which is reimbursed at the APM (which is set at the AIR), pursuant to existing visit limitations.
 - ii. If Tribal FQHCs have met their visit per day limitation, then dyadic services provided to a Medi-Cal eligible member (child or parent/caretaker) by a billable practitioner will be reimbursed at the applicable FFS rate.
 - iii. Any dyadic services that are provided to a non-Medi-Cal eligible parent/caregiver for the direct benefit of a Medi-Cal eligible child will be reimbursed at the FFS rate.
- c. Payment Term:
 - i. For dates of service on or after March 15, 2023, the reimbursement rates for dyadic services will be established based on Medi-Cal FFS fee schedule rate.
 - ii. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers of dyadic services. All Medi-Cal FFS rates are published at <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates?tab=rates>.
- d. Eligible Dyadic Services:
 - i. Behavioral Health Well-Child Visits
 - ii. Comprehensive Community Support Services
 - iii. Psychoeducational Services
 - iv. Family Training and Counseling for Child Development
 - v. Caregiver Services