



NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: MARCH 27, 2025

PROPOSED STATE PLAN AMENDMENT (SPA) TO ESTABLISH A REIMBURSEMENT RATE METHODOLOGY FOR COMMUNITY HEALTH WORKER (CHW) SERVICES BILLED USING HEALTHCARE COMMON PROCEDURE CODING SYSTEM (HCPCS) CODES

This notice is to provide information of public interest about a proposed SPA by the California Department of Health Care Services (DHCS). The proposed SPA 25-0016 is seeking federal authority to establish the Medi-Cal Fee-For-Service (FFS) reimbursement rate methodology for CHW services billed using HCPCS codes that are not Current Procedural Terminology (CPT) codes, effective April 1, 2025. DHCS requests input from members, providers, and other interested stakeholders concerning proposed SPA 25-0016, which is attached below. Proposed SPA 25-0016 would not change rates for CHW services billed using CPT codes which were established pursuant to SPA 22-0001.

In accordance with California Welfare and Institutions Code (WIC) sections 14105.05 and 14105.25, SPA 25-0016 proposes to establish a Medi-Cal FFS reimbursement rate methodology for CHW services billed using HCPCS codes to 100 percent of the lowest maximum allowable rate as established by the federal Centers for Medicare and Medicaid Services (CMS) for the federal Medicare program, effective for dates of service on or after April 1, 2025.

DHCS estimates that the annual aggregate Medi-Cal expenditures as a result of this SPA will be \$65,000 in total funds.

The effective date of the proposed SPA is April 1, 2025. All proposed SPAs are subject to approval by CMS.

Public Review and Comments

Upon submission to CMS, a copy of proposed SPA 25-0016 will be published at <https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending-2025.aspx>.

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA

25-0016 or a copy of submitted public comments related to SPA 25-0016 by requesting it in writing to the mailing or email address listed below. Please indicate SPA 25-0016 in the subject line or message.

Written comments may be sent to the following address:

Department of Health Care Services
Fee-for-Service Rates Development Division
Attn: Aditya Voleti, SPA #25-0016
P.O. Box 997413, MS 46600
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA 25-0016 in the subject line or message.

To ensure consideration prior to submission of the SPA to CMS, comments must be received no later than April 30, 2025. Please note that comments will continue to be accepted after April 30, 2025, but DHCS may not be able to consider those comments prior to the initial submission of SPA 25-0016 to CMS.

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

REIMBURSEMENT METHODOLOGY
FOR COMMUNITY HEALTH WORKER
SERVICES

1. Notwithstanding any other provision of this Attachment, the methodology utilized by the State Agency in establishing reimbursement rates for Community Health Worker (CHW) services, as described on pages 18e-18g of the Limitations on Attachment 3.1-A, including Asthma Preventive Services (APS), as described on pages 18h- 18i of the Limitations on Attachment 3.1-A, will be calculated by the California Department of Health Care Services (DHCS) using the following methodology:
 - a. For dates of service on or after July 1, 2022, the reimbursement rates for CHW services billed using Current Procedural Terminology (CPT) codes, shall be the lowest of the following:
 - i. the amount billed,
 - ii. the charge to the general public, or
 - iii. 80 percent of the lowest maximum allowance established no earlier than July 1, 2022, by the federal Medicare program the same or similar service in the State of California.
 - b. For dates of service on or after April 1, 2025, the reimbursement rate for CHW services billed using Healthcare Common Procedure Coding System (HCPCS) codes that are not described in paragraph 1.a, in effect on the Medi-Cal Fee Schedule for the current rate year, shall be the lowest of the following:
 - i. the amount billed,
 - ii. the charge to the general public, or
 - iii. 100 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar service in the State of California as of the latter of:
 1. January 1, 2025
 2. December 31 preceding the date of service.

- c. Rate limitation:
 - i. The rate described in paragraph 1.a.iii may be adjusted to keep the Medi-Cal rate below 80 percent of the lowest maximum allowance as established by the federal Medicare program on July 1, 2022, if in calculating the Medi-Cal rate, the conversion indicator or conversion factor used to calculate a unit value results in a rate greater than 80 percent.
 - ii. The rate described in paragraph 1.b.iii may be adjusted to keep the Medi-Cal rate below 100 percent of the lowest maximum allowance as established by the federal Medicare program as of the latter of January 1, 2025 or December 31 preceding the date of service, if in calculating the Medi-Cal rate, the conversion indicator or conversion factor used to calculate a unit value results in a rate greater than 100 percent.
- d. The services described in this section are exempt from the ten percent payment reduction described in paragraph (13) on page 3.3 of this Attachment.
- e. All Medi-Cal Fee-For-Service (FFS) rates for CHW services established using this methodology can be found at:
<https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>