

September 16, 2026

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 24-0033: ALTERNATIVE PAYMENT
METHODOLOGY FOR CAPITATED REIMBURSEMENT OF PARTICIPATING FEDERALLY
QUALIFIED HEALTH CENTERS

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) 24-0033, which was submitted on September 30, 2024.

SPA 24-0033 proposed to add an Alternative Payment Methodology (APM) which would have required Managed Care Plans (MCPs) to reimburse participating Federally Qualified Health Centers (FQHCs) on a capitated basis starting on July 1, 2024. However, CMS clarified that the proposed APM is inconsistent with Social Security Act § 1902(bb) and should be withdrawn.

DHCS would like to thank CMS for the technical assistance provided during their review of this SPA. If you have any questions or need additional information, please contact Alek Klimek, Assistant Deputy Director, Health Care Financing, by email at Alek.Klimek@dhcs.ca.gov.

Ms. Miller
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Sincerely,



Tyler Sadwidth
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Service

Enclosures

cc: Saralyn M. Ang-Olson, JD, MPP
Chief Compliance Officer
Office of Compliance
California Department of Health Care Services
Saralyn.Ang-Olson@dhcs.ca.gov

Rafael Davtian
Deputy Director
Health Care Financing
California Department of Health Care Services
Rafael.Davtian@dhcs.ca.gov

Alek Klimek
Assistant Deputy Director
Health Care Financing
California Department of Health Care Services
Alek.Klimek@dhcs.ca.gov

Sean Barber, Chief
Capitated Rates Development Division
California Department of Health Care Services
Sean.Barber@dhcs.ca.gov