

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST**

**PROPOSED ONE-YEAR SUPPLEMENTAL PAYMENT FOR CERTAIN PHYSICIAN
SERVICES USING PROPOSITION 56 TOBACCO TAX FUNDS
ALLOCATED FOR THE 2017-18 STATE FISCAL YEAR**

This notice provides information of public interest that the Department of Health Care Services (DHCS) will submit a State Plan Amendment (SPA) 17-030 to authorize a time-limited supplemental payment program for certain physician services. These services are for new patient and established patient office/outpatient visits, psychiatric diagnostic evaluations, psychiatric diagnostic evaluation with medical services, and psychiatric pharmacological management services.

On November 8, 2016, California voters approved the California Healthcare, Research and Prevention Tobacco Tax Act (commonly known as Prop. 56) to increase the excise tax rate on cigarettes and tobacco products. Under Prop. 56, a specified portion of the tobacco tax revenue is allocated to DHCS for use as the nonfederal share of health care expenditures in accordance with the annual state budget process. Assembly Bill (AB) No. 120 (Stats. 2017, ch. 22, § 3, Item 4260-101-3305) amends the Budget Act of 2017 to appropriate Prop. 56 funds for specified DHCS health care expenditures during the 2017-18 state fiscal year. This includes up to \$325 million allocated for supplemental payments to new patient and established patient office/outpatient visits, psychiatric diagnostic evaluations, psychiatric diagnostic evaluation with medical services, and psychiatric pharmacological management services.

The supplemental payment amounts are fixed amounts and will be paid per claim. The proposed supplemental payments are for new and established patient office/outpatient visits, psychiatric diagnostic evaluations, psychiatric diagnostic evaluation with medical services, and psychiatric pharmacological management services as identified by CPT Code below.

CPT Code	
90863	\$5.00
99201, 99211	\$10.00
99202, 99212, 99213	\$15.00
99203, 99204, 99214, 99215	\$25.00
90791, 90792	\$35.00
99205	\$50.00

DHCS projects the overall budgetary impact of the proposed supplemental payments for fee for service to result in an aggregate expenditure increase of \$24 million in total funds, including \$10 million in Prop. 56 funds.

The proposed effective date for SPA 17-030 is July 1, 2017, with a proposed end date of June 30, 2018. The proposed SPA 17-030 is subject to approval by the federal Centers for Medicare and Medicaid Services (CMS).

DHCS will also seek federal approval to authorize corollary directed payments for certain physician services in Medi-Cal managed care using Prop. 56 funds allocated for this purpose in the 2017-18 state fiscal year. To the extent approved by CMS, these directed payments would be available for the physician services identified above when rendered by network providers of a Medi-Cal managed care plan.

Public Review and Comments

Upon submission to CMS, a copy of proposed SPA 17-030 will be published at:

http://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending_2017.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 the proposed SPA from the mailing address or e-mail address below.

Any written comments may be sent to: Department of Health Care Services, Fee-For-Service Rate Development Division, 1501 Capitol Avenue, MS 4600, Sacramento, California 95899-7417, or may be emailed to Publicinput@dhcs.ca.gov. Please indicate SPA 17-030 in the subject line or message.

A copy of submitted public comments related to SPA 17-030 may be requested in writing to the mailing address or e-mail inbox identified above.

Release date: June 30, 2017