

December 28, 2023

THIS LETTER SENT VIA EMAIL

Mr. James G. Scott, Director
Division of Program Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services
601 East 12th Street, Suite 0300
Kansas City, MO 64106-2898

**STATE PLAN AMENDMENT 23-0040: REIMBURSEMENT RATE ADJUSTMENTS
FOR PRENATAL SCREENING PROGRAM AND NEWBORN SCREENING PROGRAM**

Dear Mr. Scott:

The Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA) 23-0040 for your review and approval. SPA 23-0040 proposes to seek federal authority to adjust the Medi-Cal Fee-For-Service (FFS) reimbursement rates for the Prenatal Screening (PNS) program and Newborn Screening (NBS) program. DHCS seeks an effective date of November 1, 2023, for this SPA.

In California, the PNS Program is administered by the California Department of Public Health (CDPH). Pursuant to Health & Safety Code section 124977, CDPH periodically adjusts the PNS Program fee to fully support the Genetic Disease Screening Program (GDSP). DHCS is submitting SPA 23-0040 to implement a corresponding FFS rate adjustment for CPT code 0327U to \$232.00 to align reimbursement with the participation fee that CDPH charges for cfDNA screening, effective November 1, 2023.

Additionally, SPA 23-0040 proposes to establish a reimbursement methodology for Newborn Screening (NBS) and Prenatal Screening (PNS) services, providing that DHCS will conduct an annual rate review and adjust NBS and PNS reimbursement rates to align with CDPH's participation fees. Participation fees are set pursuant to Health and Safety Code section 124977(b)(1), and Title 17 of the California Code of Regulations, sections 6508 and 6540.

DHCS is submitting the following SPA documents for your review and approval:

- CMS 179 - Transmittal and Notice of Approval of State Plan Material
- Pages 3Q and 3Q-1 of Attachment 4.19-B (Redline and Clean)
- CMS Standard Funding Questions
- Budget Impact



Mr. James G. Scott
Page 2
December 28, 2023

A Notice of Public Interest regarding SPA 23-0040 was published on October 31, 2023, on the DHCS website. On November 7, 2023, CMS informed DHCS that a tribal notice is not required for this SPA.

If you have any questions or need additional information, please contact Mr. Alek Klimek, Assistant Deputy Director for Health Care Financing, at Alek.Klimek@dhcs.ca.gov.

Sincerely,



Michelle Baass
Director & Interim State Medicaid Director
Director's Office

cc: Lindy Harrington
Assistant State Medicaid Director
Interim Chief Deputy Director
Health Care Programs
Department of Health Care Services
Lindy.Harrington@dhcs.ca.gov

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

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

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

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 4 0

2. STATE

CA

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

November 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

Title 42 CFR 447 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 3,480,701
b. FFY 2025 \$ 7,023,445

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, pages 3Q & 3Q-1 (new)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B, page 3Q

9. SUBJECT OF AMENDMENT

Adjust the Medi-Cal Fee-For-Service (FFS) reimbursement rates for the Prenatal Screening (PNS) program and Newborn Screening (NBS) program.

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
Michelle Baass

13. TITLE
Interim State Medicaid Director

14. DATE SUBMITTED
December 28, 2023

15. RETURN TO

Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

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

REIMBURSEMENT METHODOLOGY FOR GENETIC DISEASE SCREENING
PROGRAM SERVICES

1. Newborn Screening (NBS) Program: Notwithstanding any other provision in this Attachment, effective July 1, 2022, the Department of Health Care Services (DHCS) will establish the reimbursement rates for the NBS Program's Newborn Metabolic Screening Panel (code S3620), as described in Attachment 3.1-A, section 13c, in accordance with the rate table below. The rate for the Newborn Metabolic Screening Panel is established based on the participation fees providers are charged by the California Department of Public Health (CDPH) as of July 1, 2022.

Rate Table:

Procedure Code	Rate	Effective Date
Newborn Metabolic Screening Panel, code S3620	\$211.00	July 1, 2022

2. Prenatal Screening (PNS) Program: Notwithstanding any other provision in this Attachment, effective September 19, 2022, the reimbursement rate for the PNS Program's Maternal Serum Alpha-Fetoprotein (MSAFP) Screening (code 82105) and the cell-free DNA (cfDNA) Screening (code 81420), as described in Attachment 3.1-A, section 13c, will be in accordance with the rate table below. Effective November 1, 2023, the reimbursement rate for the PNS Program's Proprietary Laboratory Analyses (PLA) cfDNA screening code 0327U will be in accordance with the rate table below. The rate for the MSAFP and cfDNA screening is based on the participation fees providers are charged by CDPH as of September 19, 2022.

Rate Table:

Procedure Code	Rate	Effective Date
Maternal Serum Alpha-Fetoprotein (MSAFP) Screening Program, code 82105	\$85.00	September 19, 2022
Cell-Free DNA (cfDNA) Screening Program, code 81420	\$232.00	October 1, 2022
Proprietary Laboratory Analyses (PLA) cfDNA Screening Program, code 0327U	\$232.00	November 1, 2023

 TN: 23-0040

Supersedes

TN: 22-0064

Approval Date: _____

Effective Date: November 1, 2023

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

3. The ten percent payment reduction, described in paragraph (13) on page 3.3 of this Attachment, shall apply to reimbursement for these Genetic Disease Screening Program (GDSP) services if billed by a non-exempt provider as described on pages 3.4 and 3.5.
4. Notwithstanding any other provision in this Attachment, effective for dates of service on or after January 1, 2024, DHCS will establish reimbursement rates for codes that CDPH includes in the NBS Program's Newborn Metabolic Screening Panel, such as code S3620, pursuant to regulations specifying CDPH's participation fee at Title 17 of the California Code of Regulations, section 6508, or pursuant to any other means authorized by State law.
5. Notwithstanding any other provision in this Attachment, effective for dates of service on or after January 1, 2024, DHCS will establish reimbursement rates for codes that CDPH includes in the PNS Program's Maternal Serum Alpha-Fetoprotein (MSAFP) Screening, such as code 82105, and the cell-free DNA (cfDNA) Screening, such as code 81420 and 0327U, pursuant to regulations specifying CDPH's participation fee at Title 17 of the California Code of Regulations, section 6540, or pursuant to any other means authorized by State law.
6. The reimbursement methodologies described in paragraphs 4 and 5 will be applied to any existing or new codes added by CDPH for inclusion in the GDSP. DHCS reserves the right to modify the eligible code list as necessary, such as to account for changes to coding and billing definitions, and to apply technical corrections.
7. All Medi-Cal Fee-For-Service rates, including the rate for the Newborn Metabolic Screening Panel, are published at:
<https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>

TN: 23-0040

Supersedes

TN: New

Approval Date: _____ Effective Date: November 1, 2023