

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

601 E. 12th St., Room 355

Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

December 19, 2024

Tyler Sadwith, State Medicaid Director

Department of Health Care Services

Attn: Director's Office

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

Re: California State Plan Amendment (SPA) 23-0027

Dear Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 23-0027. This amendment adds coverage for behavioral health provided by credentialed School Psychologists, School Social Workers, and School Counselors in school-linked settings under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit and adds those providers as eligible for the Targeted Rate Increase fee schedule.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations at 42 Code of Federal Regulations (CFR) 42 CFR 440.130(d) and 440.40(b). This letter is to inform you that California Medicaid SPA 23-0027 was approved on December 19, 2024, with an effective date of January 1, 2024.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the California State Plan.

If you have any questions, please contact Cheryl Young at 415-744-3598 or via email at Cheryl.Young@cms.hhs.gov.

Sincerely,

Ruth

Hughes -S

Digitally signed by

Ruth Hughes -S

Date: 2024.12.19

12:20:12 -06'00'

Ruth A. Hughes, Acting Director

Division of Program Operations

Enclosures

cc: Lindy Harrington, DHCS
Autumn Boylan, DHCS
Ashley Covington, DHCS
Kenna Cook, DHCS
Rafael Davtian, DHCS
Alek Klimek, DHCS
Saralyn Ang-Olsen, DHCS
Angeli Lee, DHCS
Farrah Samimi, DHCS
Shanna Haysbert, DHCS

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 2 7

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

January 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Title XIX of the Social Security Act, Section 1905(a) [and Section 1905\(r\) and 42 CFR 441 Subpart B and 42 CFR 440.130\(d\)](#)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

[Limitations on Attachment 3.1-A, pages 9t.1-2 \(new\)](#)
[Limitations on Attachment 3.1-B, pages 9t.1-2 \(new\)](#)
[Supplement 40 to Attachment 4.19-B, pages 1-3 \(new\)](#)

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

None- See box 22

9. SUBJECT OF AMENDMENT

Adds [coverage for Pupil Personnel Services provided by credentialed School Psychologists, School Social Workers, and School Counselors](#) as a distinct provider type for Psychology services in school-linked settings.

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

15. RETURN TO

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

12. TYPED NAME
Michelle Baass

13. TITLE
Interim State Medicaid Director

14. DATE SUBMITTED
December 28, 2023

FOR CMS USE ONLY

16. DATE RECEIVED
December 28, 2023

17. DATE APPROVED
December 19, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL
Ruth Hughes -S
Digitally signed by Ruth Hughes -S
Date: 2024.12.19 12:20:42 -06'00'

20. TYPED NAME OF APPROVING OFFICIAL
Ruth A. Hughes

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Program Operations

22. REMARKS

Box 5: CMS made pen and ink changes to add the EPSDT statutory and regulatory citations and the rehabilitative services regulatory citation per email with state dated 3/12/24.

Box 9: CMS made pen and ink edits to the SPA description per email with state dated 3/12/24.

Box 7, 8: CMS made pen and ink edits per email with state dated 5/1/24. Note: Supplement 39 remains as approved in SPA CA-23-0008.

STATE PLAN CHART

Type Of Service	Program Coverage**	Prior Authorization or Other Requirements*
4b EPSDT (continued)	School-Linked Services	Prior authorization is not required.
School-Linked Services (SLS)	<p>SLS eligible beneficiaries are individuals aged 21 and under who are Medicaid eligible beneficiaries receiving behavioral health services at a school site not pursuant to an individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP) under the Individuals with Disabilities Education Act (IDEA).</p> <p>A schoolsite is a facility or location used for public kindergarten, elementary, secondary, or postsecondary purposes. A school includes a location not owned or operated by a public school or public school district if the school or district provides or arranges for the provision of medically necessary treatment of a mental health or substance use disorder at that location, including off-campus clinics, mobile counseling units, and similar locations.</p> <p>Freedom of Choice 42 CFR 431.51. The State assures that the provision of services will not restrict an individual's free choice of qualified providers in violation of 1902(a)(23) of the Social Security Act.</p>	
* Prior authorization is not required for emergency services.		
**Coverage is limited to medically necessary services.		

TN No. 23-0027
Supersedes
TN No. None

Approval Date: December 19, 2024

Effective Date: January 1, 2024

STATE PLAN CHART

Type Of Service	Program Coverage**	Prior Authorization or Other Requirements*
<p>4b EPSDT (cont.) SLS (cont.)</p>	<p><u>Psychology and Counseling Services</u></p> <p>Definition: Per 42 CFR § 440.130(d), psychology and counseling services are recommended by a physician or other licensed practitioner of the healing arts within their scope of practice under state law and provided in an individual or group setting.</p> <p>Qualified Practitioner Types:</p> <ul style="list-style-type: none"> • Credentialed School Counselors • Credentialed School Psychologists • Credentialed School Social Workers 	<p><u>Practitioner qualifications, limits and supervision requirements:</u></p> <p>SLS practitioners shall hold a valid Pupil Personnel Services (PPS) credential issued by the Commission on Teacher Credentialing (CTC), with the appropriate authorization for those services:</p> <ul style="list-style-type: none"> • Credentialed School Counselors must have a PPS credential with a specialization in school counseling. • Credentialed School Psychologists must have a PPS credential with a specialization in school psychology. • Credentialed School Social Workers must have a PPS credential with a specialization in school social work. <p>SLS Practitioners may furnish services within their scope of their practice under state law and only at a schoolsite, as defined in the state plan.</p>

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: California

TARGETED PROVIDER REIMBURSEMENT METHODOLOGY FOR
PRIMARY/GENERAL CARE, OBSTETRIC CARE, DOULA, AND NON-
SPECIALTY OUTPATIENT MENTAL HEALTH SERVICES

1. Notwithstanding any other provision in this Attachment, effective for dates of service on or after January 1, 2024, the reimbursement methodology in paragraph 3 applies to specified services (identified by HCPCS and CPT codes) within the below categories, as determined by the Department of Health Care Services (DHCS):
 - i. Primary/general care services
 - ii. Obstetric care services
 - iii. Non-specialty outpatient mental health services

The HCPCS and CPT codes eligible for the Targeted Provider Rates and the category assigned to each code are published on the Targeted Rate Increase Fee Schedule at: <https://www.dhcs.ca.gov/Pages/Medi-Cal-Targeted-Provider-Rate-Increases.aspx>.

DHCS may modify the eligible code list as necessary, such as to account for changes to coding and billing definitions, and to apply technical corrections. Such modifications will not include adjustment of established rates, without a State Plan amendment or other approval of the Centers for Medicare & Medicaid Services, as applicable.

2. Eligible Providers
 - i. Codes identified as primary/general care services pursuant to paragraph 1 and billed using Health Insurance Claim Form (CMS-1500) are eligible for the reimbursement methodology established pursuant to this Supplement only when rendered by the following types of eligible providers:
 - a. Physicians
 - b. Physician Assistants
 - c. Nurse Practitioners
 - d. Podiatrists
 - e. Certified Nurse Midwife
 - f. Licensed Midwives

TN: 23-0027

Supersedes

TN: New

Approval Date: December 19, 2024

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- g. Doula Providers
 - h. Psychologists
 - i. Licensed Professional Clinical Counselor
 - j. Licensed Clinical Social Worker
 - k. Marriage and Family Therapist
 - l. Pupil Personnel Services (PPS) credentialed practitioners
 - i. Credentialed School Counselors
 - ii. Credentialed School Psychologists
 - iii. Credentialed School Social Workers
 - ii. Codes identified as obstetric care services and non-specialty outpatient mental health services pursuant to paragraph 1 are eligible for the reimbursement methodology established pursuant to this Supplement when billed or rendered by an eligible provider.
 - iii. Notwithstanding paragraphs 2.i and 2.ii, codes for which an assistant surgeon procedure type is established on the Medi-Cal Fee Schedule as of December 31, 2023 (identified as procedure type "O") are not eligible for the reimbursement methodology established pursuant to this Supplement when billed or rendered by an Assistant Surgeon.
3. For dates of service on or after January 1, 2024, reimbursement rates for codes identified pursuant to paragraph 1, rendered by eligible providers specified in paragraph 2, will be established pursuant to the Targeted Rate Increase Fee Schedule and adjusted as follows:
- i. 39.7% payment augmentation for specified physicians' services provided in the California Children's Services (CCS) program, pursuant to Title 22 of the California Code of Regulations § 51503(l) as that section read on December 31, 2023. Applicable procedure codes are specified on the Targeted Rate Increase Fee Schedule.
 - ii. 20% payment reduction for certain procedures performed in outpatient facilities pursuant to Title 22 of the California Code of Regulations § 51503(g)(1) and (2) as that section read on December 31, 2023. Applicable procedure codes are specified on the Targeted Rate Increase Fee Schedule.
 - iii. Reimbursement rates in accordance with this paragraph are not eligible for any further supplemental payments, rate increases, or fee schedule adjustments including, but not limited to, alternative conversion factors established on the Medi-Cal Fee Schedule, supplemental payments authorized in Attachment 4.19-B, Supplement

27, page 4, paragraph D, and payment reductions authorized in Attachment 4.19-B, pages 3.1 through 3.4.

4. Notwithstanding the reimbursement methodology described in this Supplement, for dates of service on or after January 1, 2024, eligible providers specified in paragraph 2 will be reimbursed no less than the net reimbursement amount, inclusive of any supplemental payments, authorized pursuant to the California Medicaid State Plan in effect on December 31, 2023.
5. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. All Medi-Cal Fee-For-Service rates, including the Targeted Provider Rates, are published at: <https://mcweb.apps.prd.cammiis.medi-cal.ca.gov/rates>. The Targeted Rate Increase Fee Schedule may be temporarily posted on <https://www.dhcs.ca.gov/Pages/Medi-Cal-Targeted-Provider-Rate-Increases.aspx> until necessary system changes are made to display the Targeted Provide Rates on the main Medi-Cal Fee Schedule.

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TN: New

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