

March 27, 2025

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 25-0009: (1) ADD PSYCHOLOGICAL ASSOCIATE ENCOUNTERS FOR FEDERALLY QUALIFIED HEALTH CENTERS, RURAL HEALTH CLINICS, AND TRIBAL FEDERALLY QUALIFIED HEALTH CENTERS, (2) MAKE CHANGES TO MARRIAGE AND FAMILY THERAPIST REQUIREMENTS, AND (3) MAKE A TECHNICAL CORRECTION RELATED TO INTERMITTENT CLINICS AND MOBILE UNITS

Dear Mr. Scott:

The California Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0009 for your review and approval. DHCS seeks an effective date of January 1, 2025, for this SPA.

Assembly Bill (AB) 2703 (Chapter 638, Statutes of 2024), approved by the Governor and filed with the Secretary of State on September 27, 2024, makes amendments to Section 14132.100 of the Welfare & Institutions Code (WIC) relating to California's Medi-Cal program and Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Tribal FQHCs. Pursuant to the amendments enacted by AB 2703, this SPA proposes to add encounters between a patient and a psychological associate, provided under the supervision of the designated licensed behavioral health practitioner as identified by the California Board of Psychology (in the case of a psychological associate, the supervising "designated licensed behavioral health practitioner" shall be a licensed psychologist), as billable visits at the Prospective Payment System (PPS) rates for FQHCs and RHCs, and at the All-Inclusive Rate (AIR) for Tribal FQHCs, and to remove the Change in Scope of Service Request (CSOSR) requirement when adding Marriage and Family Therapist (MFT) services for FQHCs and RHCs. Additionally, this SPA seeks to make a technical correction to the allowable hours of operation for Intermittent Clinics and Mobile Units to align with Health & Safety Code section 1206(h).

Allowing FQHCs, RHCs, and Tribal FQHCs to receive reimbursement for encounters between a patient and a psychological associate, removing the CSOSR requirement

Mr. Scott
Page 2
March 27, 2025

when adding MFT services for FQHCs and RHCs, and adjusting the allowable hours of operation for Intermittent Clinics and Mobile Units seek to increase access to behavioral health specialists for members in medically underserved, rural, and remote areas in California.

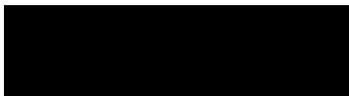
A notice of public interest for SPA 25-0009 was published December 20, 2024, and addenda were published on December 30, 2024 and February 24, 2025, on the DHCS website. Additionally, amended State Plan pages were published for public review and input on February 24, 2025. In compliance with the American Recovery and Reinvestment Act of 2009, DHCS routinely notifies Indian Health Programs (IHPs) and Urban Indian Organizations (UIOs) of SPAs that have a direct impact on IHPs and UIOs. IHPs and UIOs were notified by means of a Tribal and Designees of Indian Health Programs notice detailing the changes of the proposed SPA on November 25, 2024, and were given a public commenting period.

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

- CMS 179 form
- Limitations on Attachment 3.1-A, pages 3b.1 and 3d.2 – (redline and clean)
- Limitations on Attachment 3.1-B, pages 3b.1 and 3d.2 – (redline and clean)
- Attachment 4.19-B, pages 6B.1, 6E, and 6W – (redline and clean)
- Tribal Notice
- Budget Impact Statement
- Standard Funding Questions

If you have any questions or need additional information, please contact Mr. Aditya Voleti, Chief, Fee-For-Service Rates Development Division, at (916) 345-8717 or by email at Aditya.Voleti@dhcs.ca.gov.

Sincerely,



Tyler Sadwith
State Medicaid Director
Chief Deputy Director, Health Care Programs
California Department of Health Care Services

Enclosures and cc: See Next Page

Mr. Scott
Page 3
March 27, 2025

cc: Lindy Harrington
Assistant State Medicaid Director
Director's Office
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

Michael Freeman
Assistant Deputy Director
Health Care Benefits and Eligibility
Department of Health Care Services
Michael.Freeman@dhcs.ca.gov

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

Aditya Voleti, Chief
Fee-For-Service Rates Development Division
Department of Health Care Services
Aditya.Voleti@dhcs.ca.gov

Erica Holmes, Chief
Benefits Division
Department of Health Care Services
Erica.Holmes@dhcs.ca.gov

Andrea Zubiate, Chief
Office of Tribal Affairs
Department of Health Care Services
Andrea.Zubiate@dhcs.ca.gov

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

1. TRANSMITTAL NUMBER ____ _	2. STATE ____
---------------------------------	------------------

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

5. FEDERAL STATUTE/REGULATION CITATION
--

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY _____ \$ _____
b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
--

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

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)	
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input type="checkbox"/> 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
13. TITLE
14. DATE SUBMITTED

15. RETURN TO

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 CHART

Type of Service	Program Coverage**	Prior Authorization or Other Requirements*
<p>2b. Rural Health Clinic (RHC) services and other ambulatory services covered under the State Plan (continued)</p>	<p>15. Psychological Associate who is registered with the Board of Psychology and is supervised by a clinical psychologist licensed by the Board of Psychology.</p> <p>The following services are limited to a maximum of two services in any one calendar month or any combination of two services per month, although additional services can be provided based on medical necessity: acupuncture, audiology, chiropractic, occupational therapy, and speech therapy.</p>	<p>a) A Psychological Associate's supervisor is identified by the Board of Psychology requirements. b) A clinical psychologist is a qualified licensed practitioner and must comply with the supervision requirements established by the Board of Psychology.</p>
<p>*Prior authorization is not required for emergency services. **Coverage is limited to medically necessary services.</p>		

TN No. 25-0009
Supersedes
TN No. 24-0015

Approval Date: _____

Effective Date: January 1, 2025

STATE PLAN CHART

Type of Service	Program Coverage**	Prior Authorization or Other Requirements*
<p>2c. and 2d Federally Qualified Health Center (FQHC) services and other ambulatory services covered under the State Plan (continued)</p>	<p>14. Associate Professional Clinical Counselor (APCC) who is registered with the California Board of Behavioral Sciences and is supervised by a Licensed Professional Clinical Counselor, Licensed Clinical Social Worker, Licensed Marriage and Family Therapist, Clinical Psychologist, or a Licensed Physician certified in Psychiatry by the American Board of Psychiatry and Neurology.</p> <p>15. Psychological Associate who is registered with the Board of Psychology and is supervised by a clinical psychologist licensed by the Board of Psychology.</p>	<p>a) An APCC supervisor is identified by the Board of Behavioral Science (BBS) requirements. b) The APCC supervisor is a qualified, licensed practitioner and must comply with supervision requirements established by the BBS.</p> <p>a) A Psychological Associate’s supervisor is identified by the Board of Psychology requirements. b) A clinical psychologist is a qualified licensed practitioner and must comply with the supervision requirements established by the Board of Psychology.</p>
<p>*Prior authorization is not required for emergency services. **Coverage is limited to medically necessary services.</p>		

TN No. 25-0009
Supersedes
TN No. 24-0015

Approval Date: _____

Effective Date: January 1, 2025

STATE PLAN CHART

Type of Service	Program Coverage**	Prior Authorization or Other Requirements*
<p>2b. Rural Health Clinic services and other ambulatory services covered under the State Plan (continued)</p>	<p>15. Psychological Associate who is registered with the Board of Psychology and is supervised by a clinical psychologist licensed by the Board of Psychology.</p> <p>The following services are limited to a maximum of two services in any one calendar month or any combination of two services per month, although additional services can be provided based on medical necessity: acupuncture, audiology, chiropractic, occupational therapy, and speech therapy.</p>	<p>a) A Psychological Associate's supervisor is identified by the Board of Psychology requirements. b) A clinical psychologist is a qualified licensed practitioner and must comply with the supervision requirements established by the Board of Psychology.</p>
<p>*Prior authorization is not required for emergency services. **Coverage is limited to medically necessary services.</p>		

TN No. 25-0009
Supersedes
TN No. 24-0015

Approval Date: _____

Effective Date: January 1, 2025

STATE PLAN CHART

Type of Service	Program Coverage**	Prior Authorization or Other Requirements*
<p>2c. and 2d. Federally Qualified Health Center (FQHC) services and other ambulatory services covered under the State Plan (continued)</p>	<p>14. Associate Professional Clinical Counselor (APCC) who is registered with the California Board of Behavioral Sciences and is supervised by a Licensed Professional Clinical Counselor, Licensed Clinical Social Worker, Licensed Marriage and Family Therapist, Clinical Psychologist, or a Licensed Physician certified in Psychiatry by the American Board of Psychiatry and Neurology.</p> <p>15. Psychological Associate who is registered with the Board of Psychology and is supervised by a clinical psychologist licensed by the Board of Psychology.</p>	<p>a) An APCC supervisor is identified by the Board of Behavioral Science (BBS) requirements. b) The APCC supervisor is a qualified, licensed practitioner and must comply with supervision requirements established by the BBS.</p> <p>a) A Psychological Associate’s supervisor is identified by the Board of Psychology requirements. b) A clinical psychologist is a qualified licensed practitioner and must comply with the supervision requirements established by the Board of Psychology.</p>
<p>*Prior authorization is not required for emergency services. **Coverage is limited to medically necessary services.</p>		

TN No. 25-0009
Supersedes
TN No. 24-0015

Approval Date: _____

Effective Date: January 1, 2025

- (b) Optional services that are furnished by an FQHC and RHC within the scope of subparagraph C.1(a), or any other provision of this State Plan, are covered only to the extent that they are identified in the State Plan segments titled, "Limitations on Attachment 3.1-A" and "Limitations on Attachment 3.1-B" on pages 3 through 3e, effective July 1, 2016.
2. Effective January 1, 2025, a "visit" for purposes of reimbursing FQHC or RHC services includes any of the following:
- a. A face-to-face encounter or an interaction using synchronous audio-only or asynchronous modality, between an FQHC or RHC patient and one of the following practitioners hereafter referred to as a "health professional," to the extent the services are reimbursable as covered benefits under C.1(a) and subject to any applicable supervision requirements:
 - i. Doctor of Medicine or Osteopathy.
 - ii. Doctor of Podiatry.
 - iii. Doctor of Optometry.
 - iv. Doctor of Dental Surgery (Dentist).
 - v. Chiropractor.
 - vi. Acupuncturist.
 - vii. Resident in a teaching health center graduate medical education program.
 - viii. Clinical Psychologist.
 - ix. Licensed Clinical Social Worker.
 - x. Licensed Marriage and Family Therapist.
 - xi. Licensed Professional Clinical Counselor.
 - xii. Associate clinical social worker.
 - xiii. Associate marriage and family therapist.
 - xiv. Associate professional clinical counselor.
 - xv. Psychological associate.
 - xvi. Physician assistant.
 - xvii. Nurse practitioner.
 - xviii. Certified nurse midwife.
 - xix. Registered dental hygienist or registered dental hygienist in alternative practice.
 - xx. Visiting nurse as defined in Title 42 of the Code of Federal Regulations, Section 405.2416.
 - b. Comprehensive perinatal services, when provided by a comprehensive perinatal service practitioner.

RHC, the prospective payment reimbursement rate for the first fiscal year was calculated by adding the visit rate for fiscal years 1999 and 2000, and then dividing the total by two.

- (b) If the cost per visit for the period(s) used to establish the prospective payment reimbursement rate in subparagraph b.2(a) was calculated using a visit definition that does not conform to Section C, the FQHC or RHC must submit a revised visit count and supporting documentation that conforms with Section C. The FQHC or RHC must supply the revised visit count with supporting documentation and certify to its authenticity within 90 days after the date written instructions are issued by DHS. DHS must review the revised visit count and supporting documentation supplied by the FQHC or RHC to determine whether a rate adjustment was necessary. This subparagraph D.2(b) was applicable to either a FQHC or a RHC that established its PPS reimbursement rate for fiscal years 1999 and 2000 exclusively.
3. Services provided at intermittent service sites that are affiliated with an FQHC or RHC that operate up to the number of approved hours in accordance with Section 1206(h) of the Health & Safety Code or mobile facilities are reimbursed at the rate established for the affiliated FQHC or RHC. For purposes of this paragraph, a facility is affiliated with an FQHC or RHC when the facility is owned or operated by the same entity and licensed or enrolled as a Medi-Cal provider.
4. Effective October 1st of each year, for services furnished on and after that date, DHS will adjust the rates established under paragraph D.2 by the percentage increase in the MEI applicable to primary care services (as defined in Section 1842(i)(4) of the Act) as published in the Federal Register for that calendar year.
5. DHS will notify each FQHC and RHC of the effect of the annual MEI adjustment.

E. Alternative Payment Methodology Using the Reported Cost-Based Rate for the Fiscal Year Ending in Calendar Year 2000

An FQHC or RHC that elected the alternative payment methodology under this Section E receives reimbursement under the following provisions:

1. Each FQHC and RHC that elected to receive payment in an amount calculated using the alternative payment methodology described in this Section E, the rate was effective the first day of the fiscal year that began on or after January 1, 2001. For the period January 1, 2001, until the payment methodology described in this Section E became effective for the

P. Scope of Service Rate Adjustments for Marriage and Family Therapist (MFT)

1. Notwithstanding Section K, if an FQHC's or RHC's PPS rate currently includes the cost of MFT services, and the FQHC or RHC elects to bill MFT services as a separately reimbursable PPS visit, it shall apply for an adjustment to its PPS rate by utilizing the change in scope of services request forms to determine the FQHC's or RHC's rate within 150 days following the beginning of the FQHC's or RHC's fiscal year. The rate adjustment request must include one full fiscal year (12 months) of MFT costs and visits. DHC'S approval of a rate adjustment pursuant to this subparagraph shall not constitute a change in scope of services within the meaning of Section K. Rate changes based on an FQHC's or RHC's application for a rate adjustment, and DHCS's reconciliation of costs and visits shall be evaluated in accordance with Medicare reasonable cost principles, as set forth in Part 413 (commencing with Section 413.1) of Title 42 of the Code of Federal Regulations or its successor.