

June 25, 2025

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, Suite 0300
Kansas City, MO 64106-2898

STATE PLAN AMENDMENT 25-0016: ESTABLISH A REIMBURSEMENT RATE
METHODOLOGY FOR COMMUNITY HEALTH WORKER (CHW) SERVICES BILLED
USING HEALTHCARE COMMON PROCEDURE CODING SYSTEM (HCPCS) CODES

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0016 for your review and approval. This SPA proposes to establish a reimbursement rate methodology for CHW services billed using HCPCS codes that are not Current Procedural Terminology (CPT) codes. Proposed SPA 25-0016 would not change rates for CHW services billed using CPT codes which were established pursuant to SPA 22-0001. In accordance with California Welfare and Institutions Code (WIC) sections 14105.05 and 14105.25, SPA 25-0016 proposes to establish a Medi-Cal FFS reimbursement rate methodology for CHW services billed using HCPCS codes to the lowest of either: (1) the amount billed, (2) the charge to the general public, or (3) 100 percent of the lowest maximum allowable rate as established by the federal Centers for Medicare and Medicaid Services (CMS) for the federal Medicare program, effective for dates of service on or after April 1, 2025.

A Notice of Public Interest and Request for Public Input for SPA 25-0016 was published on March 27, 2025, on the DHCS website. The 30-day public comment due date was April 30, 2025. Indian Health Programs and Urban Indian Organizations were notified by means of a Tribal and Designees of Indian Health Program notice detailing the changes of the proposed SPA on May 21, 2025, and were given a public commenting period. During the tribal webinar on May 29, 2025, DHCS received and addressed one question that is copied below.

1. Question: Is there an existing HCPCS code assigned for CHW services?

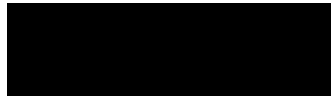
DHCS Response: Yes, the HCPCS codes assigned for CHW services are G0019 and G0022.

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

- CMS 179 - Transmittal and Notice of Approval of State Plan Material
- Attachment 4.19-B, pages 3N and 3N.i (redline and clean)
- Budget Impact Explanation
- CMS Standard Funding Questions

If you have any questions or need additional information, please contact Aditya Voleti, Chief of Fee-for-Service Rates Development Division, at (916) 650-0171 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

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**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)*

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

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 UNDER TITLE XIX OF SOCIAL SECURITY ACT
STATE: California

REIMBURSEMENT METHODOLOGY FOR
COMMUNITY HEALTH WORKER
SERVICES

1. Notwithstanding any other provision of this Attachment, the methodology utilized by the State Agency in establishing reimbursement rates for Community Health Worker (CHW) services, as described on pages 18e-18g of the Limitations on Attachment 3.1-A, including Asthma Preventive Services (APS), as described on pages 18h- 18i of the Limitations on Attachment 3.1-A, will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
 - a. For dates of service on or after July 1, 2022, the reimbursement rates for CHW services billed using Current Procedural Terminology (CPT) codes shall be the lowest of the following:
 - i. the amount billed,
 - ii. the charge to the general public, or
 - iii. 80 percent of the lowest maximum allowance established no earlier than July 1, 2022, by the federal Medicare program for the same or similar service in the State of California.
 - b. For dates of service on or after April 1, 2025, the reimbursement rate for CHW services billed using Healthcare Common Procedure Coding System (HCPCS) codes that are not described in paragraph 1.a, in effect on the Medi-Cal Fee Schedule for the current rate year, shall be the lowest of the following:
 - i. the amount billed,
 - ii. the charge to the general public, or
 - iii. 100 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar service in the State of California as of the latter of:
 1. January 1, 2025
 2. December 31 preceding the date of service.

TN: 25-0016

Supersedes

TN: 22-0001

Approval Date: _____

Effective Date: April 1, 2025

- c. Rate limitation:
 - i. The rate described in paragraph 1.a.iii may be adjusted to keep the Medi-Cal rate below 80 percent of the lowest maximum allowance as established by the federal Medicare program on July 1, 2022, if in calculating the Medi-Cal rate, the conversion indicator or conversion factor used to calculate a unit value results in a rate greater than 80 percent.
 - ii. The rate described in paragraph 1.b.iii may be adjusted to keep the Medi-Cal rate below 100 percent of the lowest maximum allowance as established by the federal Medicare program as of the latter of January 1, 2025 or December 31 preceding the date of service, if in calculating the Medi-Cal rate, the conversion indicator or conversion factor used to calculate a unit value results in a rate greater than 100 percent.
- d. The services described in this section are exempt from the ten percent payment reduction described in paragraph (13) on page 3.3 of this Attachment.
- e. All Medi-Cal Fee-For-Service (FFS) rates for CHW services established using this methodology can be found at: <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>