

September 22, 2026

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, Room 355
Kansas City, MO 64106

STATE PLAN AMENDMENT 26-0029: IMPLEMENT TIME-LIMITED SUPPLEMENTAL
PAYMENTS FOR PRIMARY AND SPECIALTY CARE SERVICES

Dear Ms. Miller:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 26-0029 for your review and approval. This SPA proposes to implement time-limited supplemental payments for Primary and Specialty Care services. DHCS seeks an effective date of July 1, 2026, through December 31, 2026.

Contingent on federal approval, eligible providers will receive increased reimbursement through the application of a supplemental payment to the Medi-Cal fee-for-service fee schedule amounts for primary care services, inclusive of obstetrics and non-specialty mental health services, and specialty care services, effective for dates of service July 1, 2026, through December 31, 2026.

A Notice of Public Interest and Request for Public Input for SPA 26-0029 was published on June 30, 2026, on the DHCS website. DHCS received one public comment concerning the submission and the implementation of the SPA but did not raise concern that access would be diminished. The Tribal Notice for this SPA was sent on August 18, 2026, and the Tribal Webinar was held on August 26, 2026.

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

Ms. Miller

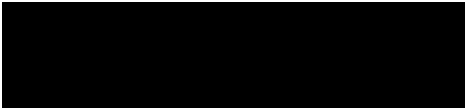
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- CMS 179 – Transmittal and Notice of Approval of State Plan Material
- Supplement 44 to Attachment 4.19-B, Pages 1-2 (new)
- Public Notice
- Tribal Notice
- CMS Standard Funding Questions
- Budget Impact Explanation

If you have any questions or need additional information, please contact Aditya Voleti, Chief of Provider Rates 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

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

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

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

Aditya Voleti, Chief
Provider Rates Division
California Department of Health
Care Services
Aditya.Voleti@dhcs.ca.gov

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

1. TRANSMITTAL NUMBER

2 6 — 0 0 2 9

2. STATE

CA3. 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

July 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION

Title 42 CFR 447 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2026 \$ 36,100,000b. FFY 2027 \$ 36,100,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Supplement 44 to Attachment 4.19-B, Pages 1-2 (new)

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

None

9. SUBJECT OF AMENDMENT

Primary and Specialty Care Services supplemental payment for dates of service July 1, 2026 through December 31, 2026.

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

Tyler Sadwith

13. TITLE

State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED

September 22, 2026

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

**SIX MONTH UNIFORM DOLLAR INCREASE REIMBURSEMENT ADD-ON FOR
PRIMARY AND SPECIALTY CARE SERVICES**

1. This program provides supplemental reimbursement for eligible primary care services (inclusive of obstetric and non-specialty mental health) and specialty care services delivered to Medi-Cal beneficiaries. These supplemental payments will be made in addition to the base rates for qualifying services.

Notwithstanding any other provision in this Attachment, effective for dates of service on or after July 1, 2026, the reimbursement methodology under paragraph 1 applies to specified services (identified by HCPCS and CPT codes) within the categories below, as indicated on the code list:

- a. Evaluation & management for office visits
- b. Obstetric care services
- c. Non-specialty mental health services
- d. Vaccine administration
- e. Other procedure codes commonly utilized by primary care and specialists

The HCPCS and CPT codes eligible for the Proposition 35 Primary and Specialty Care Uniform Dollar Increase (UDI) and the category assigned to each code are published on the Proposition 35 Primary and Specialty Care UDI Fee Schedule at: <https://www.dhcs.ca.gov/medi-cal-proposition-35-primary-and-specialty-code-list/>.

The Department of Health Care Services (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. The base rates for primary and specialty care services remain unchanged by this supplement.

2. Eligible Providers

- a. Primary or Specialty Care Service Codes identified as evaluation & management for office visits; vaccine administration; and other procedure codes commonly utilized by primary care, specialty care, and emergency department physicians 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:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: California

- i. Physicians
 - ii. Physician Assistants
 - iii. Nurse Practitioners
 - iv. Podiatrists
 - v. Certified Nurse Midwife
 - vi. Licensed Midwives
 - vii. Doula Providers
 - viii. Psychologists
 - ix. Licensed Professional Clinical Counselor
 - x. Licensed Clinical Social Worker
 - xi. Marriage and Family Therapist
 - xii. Pupil Personnel Services (PPS) credentialed practitioners:
 - 1. Credentialed School Counselors
 - 2. Credentialed School Psychologists
 - 3. Credentialed School Social Workers
- b. Codes identified as obstetric care services and non-specialty 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.
- c. Notwithstanding paragraphs 2.a and 2.b, 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
- d. Providers eligible for the supplemental payment amounts under this Supplement do not include the following:
- i. Federally Qualified Health Centers (FQHCs), Rural Health Centers (RHCs), or other providers that are reimbursed through an all-inclusive rate or a cost-based system.
 - ii. Providers subject to the Clinic Upper Payment Limit pursuant to State Medicaid Director Letter 13-003.
- e. For split billable codes with a technical/professional component, only the professional component modifier (26) will receive supplemental payment.
3. Base rates for primary and specialty care services are the rates established by DHCS for each CPT/HCPSC Code, as published on the Medi-Cal Rates website: <https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates>.