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State/Territory Name: California

State Plan Amendment (SPA) #: 22-0073-A

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



March 15, 2023

Jacey Cooper
Chief Deputy Director
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Re: California State Plan Amendment (SPA) 22-0073-A

Dear Ms. Cooper:

We have reviewed the proposed amendment to add section 7.4.A. Rescissions to the State's Disaster Relief Policies for the COVID-19 National Emergency to California's Medicaid state plan, as submitted under transmittal number (TN) 22-0073-A. This amendment proposes to rescind temporary policies in section 7.4. Medicaid Disaster Relief for the National Emergency.

We conducted our review of your submittal according to the statutory requirements at section 1902(a) of the Social Security Act and implementing regulations. Section 7.4 of the Medicaid state plan provides temporary authority for these provisions and is intended to be in effect only for the duration of the COVID-19 public health emergency. Due to the temporary nature of this provision, Medicaid SPA Transmittal Number 22-0073-A is approved effective January 1, 2023.

Enclosed is a copy of the CMS-179 summary form and the approved state plan page.

Please contact Cheryl Young at 415-744-3598 or by email at Cheryl.Young@cms.hhs.gov if you have any questions about this approval.

Sincerely,

Alissa M.
Deboy -S

Digitally signed by Alissa
M. Deboy -S
Date: 2023.03.15
08:09:26 -04'00'

Alissa Mooney DeBoy
On Behalf of Anne Marie Costello, Deputy Director
Center for Medicaid and CHIP Services

Enclosures

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

1. TRANSMITTAL NUMBER <u>22-0073-A</u>	2. STATE <u>CA</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
Title 42 CFR 447 Subpart F

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY <u>2023</u>	\$ <u>4,000,000</u> - \$0
b. FFY <u>2024</u>	\$ <u>5,300,000</u> - \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B pages 3c and 3c.1 Section 7.4, page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B page 3c

9. SUBJECT OF AMENDMENT
To ^{rescind} maintain Fee-for-Service Medi-Cal rate for Durable Medical Equipment, considered to be oxygen and respiratory equipment, effective January 1, 2023

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
Jacey Cooper

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
December 29, 2022

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
December 29, 2022

17. DATE APPROVED
March 15, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL
Alissa M. Deboy -S
M. Deboy -S
Date: 2023.03.15 08:09:46 -04'00'

20. TYPED NAME OF APPROVING OFFICIAL
Alissa Mooney DeBoy

21. TITLE OF APPROVING OFFICIAL
On behalf of Anne Marie Costello, Deputy Director, CMCS

22. REMARKS
Box 1: CMS pen and ink change to add "-A" to TN number to split SPA into "22-0073-A."
Box 6: CMS pen and ink change to ~~strikeout~~ FFY 2023 and FFY2024 amounts and replace with \$0.
Boxes 7 & 8: CMS pen and ink change to add ~~rescission~~ page and remove original SPA page.
Box 9: CMS pen and ink to update SPA description to ~~strikeout~~ "maintain" and add "rescind."
Box 22: CMS made the pen and ink notations in Boxes 1, 6, 7, 8 & 9 to split SPA into CA 22-0073-A using the original submission date for CA 22-0073 per emails with CA DHCS dated 3/8/23 and 3/9/23.

Section 7 – General Provisions

7.4. Medicaid Disaster Relief for the COVID-19 National Emergency

Effective January 1, 2023, the State rescinds the election in Section E of this Section of the state plan (as approved on March 26, 2021 in Disaster Relief SPA 21-0016), which increased the reimbursement rates for Durable Medical Equipment considered to be oxygen and respiratory equipment to 100 percent of the applicable Medicare rate during the COVID-19 National Emergency. This rescission does not affect or supersede any other Disaster Relief SPA.

The State rescinds the election ***below*** in Section E of this Section of the state plan:

Section E – Payments:

Increases to state plan payment methodologies:

2. The agency increases payment rates for the following services:

Please list all that apply.

Durable medical equipment (DME), as described in State Plan Attachment 3.1-A, paragraph 2a and paragraph 7c.2, and Attachment 4.19-B, pages 3a-3c and 3e-3f, that are considered to be oxygen and respiratory equipment. For purposes of this section, DME will include oxygen contents, oxygen equipment, and respiratory equipment procedure codes, and any equivalent codes as adopted by Medicare in the future, that are implemented by the Department through the Medi-Cal fee-for-service fee schedule.

The payment increase will be effective for dates of service on or after March 1, 2020. For a new procedure code implemented by the Department on or after March 1, 2020 that meets the above definition, the payment increase will be effective upon the Department's implementation of the new code, which will be no earlier than the date the new code is adopted by Medicare.

This change will affect the DME methodology for the above described oxygen and respiratory equipment as the methodology is set forth on pages 3a-3c and 3e-3f of Attachment 4.19-B. The change will authorize a reimbursement rate equivalent to 100 percent of the Medicare rate for oxygen and respiratory DME procedure codes.