

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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April 3, 2015

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

Dear Ms. Cantwell:

Enclosed for your records is an approved copy of the California Department of Health Care Services' State Plan Amendment (SPA) CA-12-028. This SPA was submitted to my office on September 28, 2012 and is approved effective July 1, 2012.

This SPA implements a 10% payment reduction for clinical laboratory and laboratory services, with certain exemptions. Attached is the following page to be incorporated into your State Plan:

- Attachment 4.19-B, page 3h

If you have any questions, please contact Tom Schenck at (415) 744-3589 or [tom.schenck@cms.hhs.gov](mailto:tom.schenck@cms.hhs.gov).

Sincerely,

/s/

Hye Sun Lee  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

cc: Connie Florez, California Department of Health Care Services  
Pamela Tello, California Department of Health Care Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**12-028**

2. STATE  
California

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
July 1, 2012

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN                       AMENDMENT TO BE CONSIDERED AS NEW PLAN                       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447 Subpart F

7. FEDERAL BUDGET IMPACT:  
a. FFY 2012 (3 months)    \$3,180,625  
b. FFY 2013 (12 months)   \$12,762,500

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-B, Page 3h

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
  
Not Applicable

10. SUBJECT OF AMENDMENT:  
10 percent payment reduction for clinical laboratory or laboratory services

11. 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:  
The Governor's Office does not  
wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:  
ORIGINAL SIGNED

13. TYPED NAME:  
**Toby Douglas**

14. TITLE:  
**Director**

15. DATE SUBMITTED:  
SEP 28, 2012

16. RETURN TO:

**Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue, Suite 71.326  
P.O. Box 997417  
Sacramento, CA 95899-7417**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE: CALIFORNIA

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**REIMBURSEMENT FOR CLINICAL LABORATORY OR LABORATORY SERVICES**

- (1) For dates of service on and after July 1, 2012, payments for clinical laboratory or laboratory services will be reduced by ten percent. This payment reduction is in addition to the ten percent payment reductions included in 4.19B, page 3.3, paragraph (13).
- (2) The payment reduction specified in paragraph (1) set forth on this page 3h does not apply to the following:
- Family planning services and supplies, as described in Attachment 3.1-A, item 4c, provided by the Family Planning, Access, Care, and Treatment (Family PACT) Program.
  - Outpatient Hospital Services, as described in Attachment 3.1-A, item 2a (further defined in California Code of Regulations, Title 22, section 51112.)

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TN No 12-028  
Supersedes  
TN No None

Approval Date April 3, 2015 Effective Date July 1, 2012