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State/Territory Name: California

State Plan Amendment (SPA) #: CA-25-0024

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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

July 8, 2026

Tyler Sadwith
State Medicaid Director
California Department of Health Care Services
1501 Capitol Avenue, MS 0000
Sacramento, CA 95899-7413

Dear Director Sadwith:

Your Title XXI Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) CA-25-0024, submitted June 25, 2025, with additional information submitted on July 6, 2026, has been approved. The effective date for this SPA is January 1, 2025.

Through CA-25-0024, California demonstrates compliance with section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023) by modifying CHIP eligibility requirements for the treatment of incarcerated youth and providing pre-release services to eligible juveniles. Additionally, the state clarifies its policies for this population related to the delivery system for pre-release services. We note that California will utilize its approved re-entry section 1115 demonstration to provide all mandatory 5121 pre-release services.

The approval for the provision of pre-release services under CA-25-0024 will sunset on October 31, 2026, as California is not in full compliance with section 5121 of the CAA, 2023. The corresponding companion letter identifies the actions that the state must complete by the sunset date.

Your Project Officer is Ticia Jones. She is available to answer your questions concerning this amendment and other CHIP-related matters and can be reached at ticia.jones@cms.hhs.gov.

If you have additional questions, please contact Mary Beth Hance, Director, Division of State Coverage Programs, at (410) 786-4299. We look forward to continuing to work with you and your staff.

Sincerely,
/Signed by Jessica Stephens/

Jessica Stephens
Acting Director

Children and Adults Health Programs Group

July 8, 2026

Tyler Sadwith
State Medicaid Director
California Department of Health Care Services
1501 Capitol Avenue, MS 0000
Sacramento, CA 95899-7413

Dear Director Sadwith:

This letter is being sent as a companion to the Centers for Medicare & Medicaid Services (CMS) approval of state plan amendment (SPA), CA-25-0024, approved on July 8, 2026, with an effective date of January 1, 2025. Through this SPA, the state provides coverage of screenings, diagnostic services, and case management services (“pre-release services”) otherwise available under the CHIP state plan to targeted low-income children who are within a 30-day period prior to their release from a carceral facility. Additionally, California modifies the state’s treatment of children who are inmates of a public institution when determining CHIP eligibility. The approval under this SPA, CA-25-0024, to provide pre-release services will sunset on October 31, 2026, because California needs to complete the outstanding actions listed below to be in full compliance with section 2102(d) of the Social Security Act (the Act). We appreciate the state’s efforts to undertake these actions to comply with section 2102(d) of the Act.

1. **Facility Readiness and Rollout:** The state will continue to conduct readiness assessments with carceral facilities, provide continued technical assistance, and leverage other supports like the existing Providing Access and Transforming Health (PATH) grant funding to increase participation within carceral facilities. The state is using a phased approach with all facilities.
2. **Provider Enrollment and Billing:** The state continues to work to increase facility enrollment as Medicaid/CHIP providers and improve billing and claims processes. The state is providing technical assistance on the processes for enrolling as fee-for-service (FFS) Medi-Cal providers and FFS billing requirements and processes. Each county is responsible for enrolling providers and implementing the billing systems before the facility is considered live.
3. **Justice Involved Screening Portal:** The state is working to enroll all correctional facilities into a statewide eligibility screening system that allows for real-time communication and automated updates between the state and carceral facilities to support sharing of eligibility information, such as release dates and eligibility aid codes, and tracking provision of pre-release services. Facilities will be provided full access to the portal upon their approval to provide pre-release services.

Once these outstanding actions have been completed, the state should submit a SPA to remove the sunset date for the pre-release services provisions from the CHIP state plan. CMS is available

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to provide technical assistance through this process to achieve timely completion of these remaining action items and to ensure compliance with section 2102(d) of the Act.

If you have questions about this letter, please contact Ticia Jones, your CHIP Project Officer, at 410-786-8145 or ticia.jones@cms.hhs.gov. She will reach out to the state for a status update on these action items prior to this SPAs's sunset date.

Sincerely,

/Signed by Mary Beth Hance/

Mary Beth Hance
Director
Division of State Coverage Programs

Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

- 1.4** Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

CA RESPONSE:

SPA #25-0024 Purpose of SPA: To demonstrate CHIP compliance and alignment with California's Medicaid program on the federal requirements mandated in Section 5121 of the Consolidated Appropriations Act, 2023, for eligible incarcerated youth.

Proposed effective date: 01/01/2025

Proposed implementation date: 01/01/2025

- 1.4- TC** **Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

CA RESPONSE:

SPA #25-0024 for modification to amendments to Section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), for eligible incarcerated youth. On June 16, 2025, CMS determined that Tribal consultation was not necessary for SPA 25-0024.

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

- 3.1.1.2** Do any of your CHIP populations that receive services through a managed care delivery system receive any services outside of a managed care delivery system?

☐ No

☒ Yes

If yes, please describe which services are carved out of your managed care delivery system and how the State provides these services to an enrollee, such as through fee-for-service. Examples of carved out services may include

transportation and dental, among others.

PRE-RELEASE SERVICES

Incarcerated youth pre-release services are provided in a Fee-for-Service (FFS) delivery system. Upon release, eligible beneficiaries will transition to a Managed Care Plan (MCP).

This applies to Population 1 (CCHIP)



CHIP Eligibility

State Name:

OMB Control Number: 0938-1148

Transmittal Number: CA - 25 - 0024

Incarcerated CHIP Beneficiaries

CS31

2102(d) and 2110(b)(7) of the SSA

Targeted Low-Income Children Who Become Incarcerated

- ☒ The state assures that it does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.

States may either suspend CHIP coverage or continue to provide CHIP state plan (or waiver of such plan) services otherwise not covered by the carceral facility to children who are incarcerated. States that elect to suspend CHIP coverage for the duration of a child's incarceration may implement a benefits or eligibility suspension.

The state elects to suspend CHIP coverage for the duration of a child's incarceration

If yes, then check an option below:

- ☐ Benefits suspension
- ☒ Eligibility suspension
- ☒ The state assures that it redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.
- Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state assures that it
- ☒ provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).

Additional information regarding implementation of mandatory provisions of section 5121 of the Consolidated Appropriations Act, 2023 (CAA, 2023), including providing screenings, diagnostic services, or case management services:

The state may determine that it is not feasible to provide the required services during the pre-release period in certain carceral facilities (e.g., identified local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g., unexpected release or short-term stays). The state will maintain clear documentation in its internal operational plan regarding each facility and/or circumstances where the state determines that it is not

Under section 5122 of the CAA, 2023, states may consider otherwise eligible children who are inmates pending disposition of charges as eligible for CHIP and provide all services covered under the CHIP state plan.

- ☐ The state elects to provide all CHIP state plan benefits (or waiver of such plan) to eligible children who are inmates pending disposition of charges.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20240322



CHIP Eligibility

Children Determined Eligible for CHIP While Incarcerated

Generally, children who apply for CHIP when they are in a carceral facility are not eligible because of the eligibility exclusion for inmates of a public institution under section 2110(b) of the Act. However, section 2110(b)(7) of the Act provides an exception to this eligibility exclusion for children who are within 30 days prior to their release.

- ☒ The state assures that they will process any application submitted on behalf of a child and make an eligibility determination for child health assistance upon their release from the institution.
- ☒ Children who apply and are found eligible within 30 days prior to their release will be provided screening and diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

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