

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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SEP 20 2012

Toby Douglas, Director  
California Department of Health Care Services  
P.O. Box 997413, MS 0000  
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Enclosed is an approved copy of California State Plan Amendment (SPA) 11-037b. SPA 11-037 was originally submitted to my office on December 16, 2011 to address the issues related to chronic dialysis and heroin detoxification that were initially identified in the companion letter issued with the approval of SPA 11-014. The companion letter identified potential issues with "chronic dialysis" and "outpatient heroin detoxification services" being included under the rehabilitative services section in the State plan. The letter indicated that these particular services would be more appropriately covered under other benefit categories. The 11-014 companion letter also noted that if the State were to determine that "chronic dialysis services" are covered as clinic or outpatient services, then chronic dialysis does not need to be specifically listed under either of these benefits provided that there are no limitations to the service and there is a corresponding payment methodology in the Attachment 4.19-B State Planpages.

On February 22, 2012, the State requested that SPA 11-037 be split such that 11-037b removes the chronic dialysis language from the rehabilitation section of the State Plan and moves outpatient heroin and other opioid detoxification services from the rehabilitation services section to the physician and clinic services sections.

The effective date of this SPA is April 1, 2012. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Limitations on Attachment 3.1-A, page 10a.1
- Limitations on Attachment 3.1-B, page 10a.1
- Limitations on Attachment 3.1-A, page 15
- Limitations on Attachment 3.1-B, page 15
- Limitations on Attachment 3.1-A, page 19
- Limitations on Attachment 3.1-B, page 19

If you have any questions, please contact Kristin Dillon by phone at (415) 744-3579 or by email at [Kristin.Dillon@cms.hhs.gov](mailto:Kristin.Dillon@cms.hhs.gov).

Sincerely,

\s\  
Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

cc: Elizabeth Garbarczyk, Centers for Medicare and Medicaid Services  
Christopher Thompson, Centers for Medicare and Medicaid Services  
Kathryn Waje, California Department of Health Care Services  
Laurie Weaver, California Department of Health Care Services