

## **Table of Contents**

**State/Territory Name: CA**

**State Plan Amendment (SPA) #: 23-0025**

his 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

Center for Medicaid & CHIP Services

233 North Michigan Ave., Suite 600

Chicago, Illinois 60601



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**Financial Management Group**

November 8, 2023

Michelle Baass

Director, California Department of Health Care Services

P.O. Box 997413, MS 0000

Sacramento, CA 95899-7413

RE: TN 23-0025

Dear Director Baass:

We have reviewed the proposed California State Plan Amendment (SPA) to Attachment 4.19-B, CA-23-0025, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 29, 2023. This SPA clarifies the reimbursement methodology for care coordination, recovery support services, peer support specialist services, and Medication Addiction Treatment (MAT) when provided in a residential treatment setting.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or [blake.holt@cms.hhs.gov](mailto:blake.holt@cms.hhs.gov).

Sincerely,

A solid black rectangular box used to redact the signature of Todd McMillion.

Todd McMillion

Director

Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 2 5

2. STATE

CA

3. 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, 2023

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR and 42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0  
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B pg 41b-41c, 41f, 41g  
41d

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-B pg 41b-41c, 41f, 41g  
41d

9. SUBJECT OF AMENDMENT

To clarify the reimbursement methodology for residential treatment provided to Medi-Cal members with substance use disorder established in SPA 23-0015.

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

[Redacted Signature]

12. TYPED NAME  
Jacey Cooper

13. TITLE  
State Medicaid Director

14. DATE SUBMITTED  
September 29, 2023

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  
September 29, 2023

17. DATE APPROVED  
November 8, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

22. REMARKS

10/31/23: State concurs with pen and ink changes to Boxes 7 and 8.

located in Non-Regional Counties

1. Outpatient Services Reimbursement Methodology

- a. The State reimburses all eligible providers of Outpatient Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Eligible providers claim reimbursement for Outpatient Services using appropriate Current Procedural Terminology (CPT®) or Healthcare Common Procedure Coding System (HCPCS) codes. The fee schedule contains a rate for each county where the eligible provider is located and combination of Provider Type and CPT®/HCPCS code. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.
- b. The fee schedule that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- c. The State will annually increase the per-unit rates for HCPCS and CPT Codes effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the webpage linked above annually.

2. Day Services Reimbursement Methodology

- a. The State reimburses all eligible providers of Day Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Level 1 – WM and Level 2 – WM are reimbursed an hourly rate. Partial Hospitalization is reimbursed a daily rate. The fee schedule contains a rate for each county where the provider is located and each Day Service. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.
- b. The fee schedule for Day Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage: <https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- c. The State will annually increase the day service rates effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The updated rates will be posted to the webpage linked above annually.

3. Twenty-Four Hour Services Reimbursement Methodology

- a. The State reimburses all eligible providers of Twenty-Four Hour Services in Non-Regional Counties on a fee for service basis pursuant to a fee schedule established by the State. Twenty-Four Hour Services are reimbursed a per diem rate for all service components described in Section 13.d.6 in Supplement 3 to Attachment 3.1-A of this State Plan, except for Care Coordination, Recovery Support Services, Peer Support Specialist Services, MAT for OUD, and MAT for AUD. The fee schedule contains a rate for each county where the provider is located and each Twenty-Four Hour Service. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers.

- b. The fee schedule for Twenty-Four Hour Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage:  
<https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- c. The State will annually increase the per-unit rates for 24-hour services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index.
- d. Care Coordination, Recovery Support Services, Peer Support Specialist Services, MAT for OUD, and MAT for AUD services provided by eligible providers of Twenty-Four Hour Services are reimbursed pursuant to the methodology described in Section B.1 on page 41c.

4. Narcotic Treatment Program Reimbursement Methodology

- a. The State reimburses all eligible providers of Narcotic Treatment Program Services on a fee for service basis pursuant to a fee schedule established by the State. Narcotic Treatment Program Daily Dosing Services are reimbursed a per dose rate. An eligible provider must administer MAT for OUD Medication or MAT for AUD Medication to be reimbursed for Narcotic Treatment Program Daily Dosing Services. The fee schedule contains a per dose rate for each County where the eligible provider is located. The per dose rate does not include the cost of room and board. Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The State will monitor the actual provision of Narcotic Treatment Program Daily Dosing Services reimbursed through this per dose rate.
- b. The State reimburses all eligible providers for Care Coordination, Individual Counseling, Group Counseling, Peer Support Services, and Recovery Services provided in a Narcotic Treatment Program pursuant to the fee schedule established in Section 1, B1-3, "Outpatient Services Reimbursement Methodology," on page 41c of this State Plan.
- c. The fee schedule for Narcotic Treatment Program Daily Dosing Services that is effective July 1, 2023, and annually thereafter, is posted to the following webpage:  
<https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- d. The State will annually increase the daily rates for Narcotic Treatment Program Daily Dosing Services effective July 1, 2023 by the percentage change in the four quarter average Home Health Agency Market Basket Index. The fee schedule for the Narcotic Treatment Program Daily Dosing Service is a bundled rate.
  - i. Any Narcotic Treatment Program provider delivery Narcotic Treatment Program Daily Dosing Services will be paid through the bundle and cannot bill separately.
  - ii. Any provider delivering services outside of the Narcotic Treatment Program Daily Dosing Services may bill for those separate services in accordance with this state plan.
  - iii. The State will periodically monitor the actual provision of services paid under the Narcotic Treatment Program Daily Dosing Services bundled rate

- i. The State will reimburse all eligible providers for facilitation of a warm handoff, as that service component is defined in Attachment 3.1-A of this State Plan, pursuant to a fee schedule established by the State. The fee schedule will include a rate for each county and the following aspects of the service component:
  - Providing and/or arranging for a beneficiary's transportation to an alternative setting to receive urgent treatment. The State will reimburse providers the standard mileage rate per mile for use of an automobile for medical care as established by the Internal Revenue Service.
  - Staff time spent providing and/or arranging for transportation to an alternative setting to receive urgent treatment. The rates for this aspect of facilitation of a warm handoff effective July 1, 2023, and annually thereafter, are posted to the following webpage:  
<https://www.dhcs.ca.gov/services/MH/Pages/medi-cal-behavioral-health-fee-schedules.aspx>.
- ii. The State will annually increase the fee schedules described in paragraphs 1 and 2 by the percentage change in the four quarter average Home Health Agency Market Basket Index.

#### C. Reimbursement Methodology for Regional Counties

1. The reimbursement methodology for all eligible providers of Outpatient Services, Day Services, and Twenty-Four Hour Services in Regional Counties is equal to the prevailing charges for the same or similar services in the county where the provider is located. Care Coordination, Recovery Support Services, Peer Support Specialist Services, MAT for OUD, and MAT for AUD services provided by eligible providers of Twenty-Four Hour Services are reimbursed as Outpatient Services separate from the Twenty-Four Hour Service. If prevailing charges are not available, the State will use the best available alternative data, subject to CMS review, that would serve as a reasonable proxy, including the use of trended historical data.
2. The State reimburses all eligible providers of Narcotic Treatment Program Services pursuant to Section B.4 above.
3. The State reimburses all eligible providers of Community-Based Mobile Crisis Intervention Services pursuant to Section B.5 above.

#### D. Regional Counties

Humboldt  
 Lassen  
 Mendocino  
 Modoc  
 Shasta  
 Siskiyou  
 Solano

#### E. Non-Regional Counties

Alameda	Napa	San Joaquin
Contra Costa	Nevada	San Luis Obispo
El Dorado	Orange	San Mateo
Fresno	Placer	Santa Barbara

Imperial  
Kern  
Los Angeles  
Marin  
Merced  
Monterey

Riverside  
Sacramento  
San Benito  
San Bernardino  
San Diego  
San Francisco

Santa Clara  
Santa Cruz  
Stanislaus  
Tulare  
Yolo