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State/Territory Name: CA

State Plan Amendment (SPA) #: 25-0016

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
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

July 17, 2026

Tyler Sadwith
State Medicaid Director
California Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

RE: TN 25-0016

Dear Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed California state plan amendment (SPA) to Attachment 4.19-B CA-25-0016, which was submitted to CMS on June 25, 2025. This plan amendment proposes to establish a reimbursement rate methodology for Community Health Worker (CHW) services billed using Healthcare Common Procedure Coding System (HCPCS) codes.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of April 1, 2025. 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 via email at blake.holt@cms.hhs.gov,

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0016

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
April 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
Title 42 CFR 447 Subpart F *1905(a)(13)*

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 19,087
b. FFY 2026 $ 38,175

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, page 3N
Attachment 4.19-B, page 3N.i (new)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*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

9. SUBJECT OF AMENDMENT
TO ESTABLISH A REIMBURSEMENT RATE METHODOLOGY FOR COMMUNITY HEALTH WORKER (CHW) SERVICES BILLED USING HEALTHCARE COMMON PROCEDURE CODING SYSTEM (HCPCS) CODES

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]

12. TYPED NAME
Tyler Sadwith

13. TITLE
State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED
June 25, 2025

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
June 25, 2025

17. DATE APPROVED
07/17/2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
April 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

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

22. REMARKS

07/11/25: State concurs with pen and ink change to Box 5.

Instructions on Back

STATE PLAN UNDER TITLE XIX OF SOCIAL SECURITY ACT
STATE: California

REIMBURSEMENT METHODOLOGY FOR
COMMUNITY HEALTH WORKER
SERVICES

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1. Notwithstanding any other provision of this Attachment, the methodology utilized by the State Agency in establishing reimbursement rates for Community Health Worker (CHW) services, as described on pages 18e-18g of the Limitations on Attachment 3.1-A, will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
    a. For dates of service on or after April 1, 2025, the reimbursement rates for CHW services billed using Current Procedural Terminology (CPT) codes shall be the lowest of the following:
        i. the amount billed,
        ii. the charge to the general public, or
        iii. 80 percent of the lowest maximum allowance as established on July 1, 2022, by the federal Medicare program for the same or similar service in the State of California.
    b. For dates of service on or after April 1, 2025, the reimbursement rates for CHW services billed using CPT codes will be reimbursed as described in paragraph 1.a. Reimbursement rates for CHW services billed using Healthcare Common Procedure Coding System (HCPCS) codes that are not described in paragraph 1.a, in effect on the Medi-Cal Fee Schedule for the current rate year, shall be the lowest of the following:
        i. the amount billed,
        ii. the charge to the general public, or
        iii. 100 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar service in the State of California as of the latter of:
            1. January 1, 2025
            2. December 31 preceding the date of service.

c. The services described in this section are exempt from the ten percent payment reduction described in paragraph (13) on page 3.3 of this Attachment.
d. Unless otherwise stated in the plan, rates for private and public providers of the service are the same. The fee schedule was last set on April 1, 2025, and is effective for services provided on or after that date. All Medi-Cal Fee-For-Service (FFS) rates for CHW services established using this methodology can be found at: https://mcweb.apps.prd.cammis.medi-cal.ca.gov/rates