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State/Territory Name: California

State Plan Amendment (SPA) #: 25-0039

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Form 179
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

January 21, 2026

Tyler Sadwith
State Medicaid Director
Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Re: California State Plan Amendment (SPA) 25-0039

Dear Director Sadwith:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0039. This amendment proposes to opt out of imposing pre-death liens under the Tax Equity and Fiscal Responsibility Act.

We conducted our review of your submittal according to the statutory requirements at 1902 (a)(18), and 1917(a) and (b) of the Social Security Act and implementing regulation 42 CFR 433.36(c). This letter is to inform you that California Medicaid SPA 25-0039 was approved on January 20, 2026, with an effective date of January 1, 2026.

Enclosed are copies of CMS Form 179 and approved SPA pages to be incorporated into the California State Plan.

If you have any questions, please contact Nikki Lemmon at Nicole.Lemmon@cms.hhs.gov.

Sincerely,

Wendy Hill Petras
Acting Director, Division of Program Operations

Enclosures

cc: Tyler Sadwith
Lindy Harrington
Angeli Lee, DHCS
Shanna Haysbert, DHCS

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 433.36(c), 1902 (a)(18), and 1917(a) and (b) of the Act / California Code of
Regulations (CCR) 50420(a)(1)(A)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Section 4.17, page 53

1. TRANSMITTAL NUMBER <u>2 5 — 0 0 3 9</u>	2. STATE <u>CA</u>
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI

4. PROPOSED EFFECTIVE DATE <u>January 1, 2026</u>
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6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>25-26</u> \$ <u>0</u> b. FFY <u>26-27</u> \$ <u>0</u>

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Section 4.17, page 53

9. SUBJECT OF AMENDMENT

To opt out of imposing pre-death liens under the Tax Equity and Fiscal Responsibility Act (TEFRA).

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

12. TYPED NAME
Tyler Sadwith

13. TITLE
State Medicaid Director and Chief Deputy Director

14. DATE SUBMITTED
December 17, 2025

15. RETURN TO

Department of Health Care Services
Attn: Director's Office
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

16. DATE RECEIVED

December 17, 2025

17. DATE APPROVED

January 20, 2026

FOR CMS USE ONLY

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 1, 2026

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Wendy Hill Petras

21. TITLE OF APPROVING OFFICIAL

Acting Director, Division of Program Operations

22. REMARKS

1/5/26 state authorized a P&I change to delete reference to state citation in box 5

Revision: HCFA-PM-95-3 (MB)
May 1995

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: California

4.17 Liens and Adjustments or Recoveries

Citation

42 CFR 433.36 (c)
1902 (a) (18) and
1917 (a) and (b) of the Act

(a) Liens

- The State imposes liens against an individual's real property on account of medical assistance paid or to be paid.
- The State complies with requirements of section 1917 (a) of the Act and regulations at 42 CFR 433.36 (c) – (g) with respect to any lien imposed against the property of any individual prior to his death on account of medical assistance paid or to be paid on his or her behalf
- X The State imposes liens on real property on account of benefits incorrectly paid.
- The State imposes TEFRA liens 1917 (a) (i) (B) on real property of an individual who is an inpatient of a nursing facility, ICF/MR, or other medical institutions, where the individual is required to contribute toward the cost of institutional care all but a minimal amount of income for personal needs.
- The procedures by the State for determining that an institutionalized individual cannot reasonably be expected to be discharged are specified in Attachment 4.17-A (NOTE: If the State indicates in its State plan that it is imposing TEFRA liens, then the State is required to determine whether an institutionalized individual is permanently institutionalized and afford these individuals notice, hearing procedures, and due process requirements.)
- X The State imposes liens on both real and personal property of an individual after the individual's death.

TN No. 25-0039

Supersedes
TN No. 01-002

Approval Date: January 20, 2026

Effective Date: January 1, 2026