Table of Contents

State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: DC 25-0005

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Managed Care Group

January 20, 2026

Melisa Byrd
Senior Deputy Director, Medicaid
District of Columbia Department of Health Care Finance
441 4th Street, NW, Suite 900S
Washington, DC 20001

Re: District of Columbia (DC) State Plan Amendment (SPA) 25-0005

Dear Director Byrd:

The Centers for Medicare & Medicaid Services (CMS) completed review of District of Columbia (DC)'s 1932(a) State Plan Amendment (SPA) Transmittal Number DC-25-0005, as submitted on October 27, 2025. The purpose of this SPA is to carve out select drugs from managed care (https://dhcf.dc.gov/service/cell-and-gene-therapy-carve-out) and to transition their reimbursement to a fee-for-service model, at 100% of the Actual Acquisition Cost.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that DC Medicaid SPA Transmittal Number 25-0005 is approved, effective January 1, 2026.

If you have any questions regarding this amendment, please contact DMCO Managed Care Amy Eaton at (410) 786-2390 or via email at amy.eaton@cms.hhs.gov.

Sincerely

[redacted]

Bill Brooks
Director
Division of Managed Care Operations

cc: Aiza Khan, DHCF
Mario Ramsey, DHCF
Sabrina Tillman-Boyd, CMCS

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: 25-0005

2. STATE: DC

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
Jan. 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act §1932(a)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 0
b. FFY _____ $ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3.1F, p. 15-17

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 3.1F, p. 15-17

9. SUBJECT OF AMENDMENT
High-Cost Curative Therapy Carve Out

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:
D.C. Act: 22-434

11. SIG[redacted]NCY OFFICIAL

12. TYPED NAME
Melisa Byrd

13. TITLE
Senior Deputy Director/Medicaid Director

14. DATE SUBMITTED
10/27/2025

15. RETURN TO
Melisa Byrd
Senior Deputy Director/Medicaid Director
Department of Health Care Finance
441 4th Street, NW, 9th Floor, South
Washington, DC 20001

FOR CMS USE ONLY

16. DATE RECEIVED
10/28/2025

17. DATE APPROVED
01/20/2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
01/01/2026

19. SIGN [redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Bill Brooks

21. TITLE OF APPROVING OFFICIAL
Director, Division of Managed Care Operations

22. REMARKS

Instructions on Back

INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the Center for Medicaid & CHIP Services for approval. Submit a separate typed transmittal form with each plan/amendment.

Block 1 - Transmittal Number - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis with the first two digits being the two-digit year (e.g., 21-0001, 21-0002, etc.). Because states have different state fiscal years, a calendar year is required for consistency.

Block 2 - State - Enter the two-letter abbreviation code of the State/District/Territory submitting the plan material.

Block 3 - Program Identification - Enter the applicable Title of the Social Security Act (Title XIX Medicaid or Title XXI CHIP).

Block 4 - Proposed Effective Date - Enter the proposed effective date of material. The effective date of a new plan may not be earlier than the first day of the calendar quarter in which an approvable plan is submitted. With respect to expenditures for assistance under such plan, the effective date may not be earlier than the first day on which the plan is in operation on a statewide basis or earlier than the day following publication of notice of changes.

Block 5 - Federal Statute/Regulation Citation - Enter the appropriate statutory/regulatory citation.

Block 6 - Federal Budget Impact - 6(a) - IN WHOLE DOLLARS, NOT IN THOUSANDS, Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA for 1st FFY. The first FFY should be the FFY inclusive of the earliest effective date of any amended payment language; **6 (b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. In general, the estimates should include any amount not currently approved in the state's plan for assistance.

Block 7 - Page No.(s) of Plan Section or Attachment - Enter the page number(s) of plan material amended and transmitted. If additional space is needed, use bond paper. **New pages** should be included in Block 7, but not in Block 8.

Block 8 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable) - Enter the page number(s) (including the transmittal number) that is being superseded. If additional space is needed, use bond paper. **Deleted pages** should be included in Block 8, but not in Block 7.

Block 9 - Subject of Amendment - Briefly describe plan material being transmitted.

Block 10 - Governor's Review - Check the appropriate box. See SMM section 13026 A.

Block 11 - Signature of State Agency Official - Authorized State official signs this block.

Block 12 - Typed Name - Type name of State official who signed block 11.

Block 13 - Title - Type title of State official who signed block 11.

Block 14 - Date Submitted - Enter the date that the state transmits plan material to CMCS. Unless the state officially withdraws this SPA and then resubmits it, this date should not be revised. Documentation of version revisions will be maintained in the CMCS administrative record.

Block 15 - Return To - Type the name and address of State official to whom this form should be returned.

Block 16–22 (FOR CMS USE ONLY).

Block 16 - Date Received - Enter the date plan material is received by CMCS. This is the date that the submission is received by CMCS via the subscribed submission process.

Block 17 - Date Approved - Enter the date CMCS approved the plan material.

Block 18 - Effective Date of Approved Material - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 22 or attach a sheet.

Block 19 - Signature of Approving Official - Approving official signs this block.

Block 20 - Typed Name of Approving Official - Type approving official's name.

Block 21 - Title of Approving Official - Type approving official's title.

Block 22 - Remarks - Use this block to reference and explain agreed to changes and strike-throughs to the original CMS-179 as submitted, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

State: District of Columbia

State Plan-Approved Service Delivered by the MCO	Medicaid State Plan Citation		
	Attachment #	Page #	Item #
Ex. Physical Therapy	*3.1-A*	*4*	*11.a*
Emergency Services	3.1-A and 3.1-B	9d	24.e
Physicians' Services	3.1-A and 3.1-B	2 and 2a (respectively)	5.a
Laboratory and X-ray Services	3.1-A and 3.1-B	1 and 2 (respectively)	3
Inpatient Hospital Services	3.1-A and 3.1-B	1 and 2 (respectively)	1
Outpatient Hospital services other than services in an institution for mental diseases	3.1-A and 3.1-B	1 and 2 (respectively)	2a
Adult and women's wellness services	3.1-A and 3.1-B	5-6 and 5 (respectively)	13
Screenings	3.1-A and 3.1-B	6 and 5 (respectively)	13.b
Tobacco cessation counseling	3.1-A and 3.1-B	5-6 and 5 (respectively)	13
Federally Qualified Health Center (FQHC) services	3.1-A and 3.1-B	1 and 2 (respectively)	2.c
Early Periodic Screening Diagnosis and Treatment (EPSDT)	3.1-A and 3.1-B	2	4.b
Mental Health and Inpatient Substance Use Disorder Treatment	3.1-A and 3.1-B	6 and 5 (respectively)	13.d
Dental Services	3.1-A and 3.1-B	4	10
Substance Use Disorder screening and behavioral counseling	3.1-A and 3.1-B	6 and 5 (respectively)	13.d
Prescription Drugs	3.1-A and 3.1-B	5 and 4 (respectively)	12
Family planning services and supplies	3.1-A and 3.1-B	2	4.c
Pregnancy-related services	3.1-A and 3.1-B	8 and 7 (respectively)	20
Nurse Midwife services	3.1-A and 3.1-B	7 and 6 (respectively)	17
Nurse Practitioner services	3.1-A	8a and 8 (respectively)	23
Routine screening for sexually transmitted diseases	3.1-A and 3.1-B		
HIV/AIDS screening. testing, and counseling	3.1-A and 3.1-B		
Podiatrist services	3.1-A and 3.1-B	2 and 3 (respectively)	6.a
Physical therapy services	3.1-A and 3.1-B	3a and 3 (respectively)	7.d
Occupational therapy services	3.1-A and 3.1-B	3a and 3 (respectively)	7.d
Hearing services	3.1-A and 3.1-B	3a and 3 (respectively)	7.d
Speech therapy	3.1-A and 3.1-B	3a and 3 (respectively)	7.d
Durable Medical Equipment	3.1-A and 3.1-B	3	7.c
Diet and behavioral counseling	3.1-A and 3.1-B	6 and 5 (respectfully)	13
Prosthetic devices	3.1-A and 3.1-B	5	12.c
Eyeglasses	3.1-A and 3.1-B	5	12.d
Tuberculosis-related services	4.19B	14	23
Home health services	3.1-A and 3.1-B	4 and 3 (respectively)	7
Private duty nursing services	3.1-A and 3.1-B	3a and 4 (respectively)	8
Personal Care Services	3.1-A and 3.1-B	9d and 8c (respectively)	24.f
Nursing facility services	3.1-A and 3.1-B	2	4.a
Hospice care	3.1-A and 3.1-B	7 and 6 (respectively)	18
Transportation services	3.1-A; 3.1-B; 3.1-D	9 and 8 (respectively)	24a.1-a.2

The MCOs shall be responsible for providing their members with all Medicaid State Plan benefits, except for the following services:

Emergency Transportation

DHCF shall provide fee-for-service (FFS) reimbursement of emergency medical ground transportation services provided to beneficiaries to eligible providers. Reimbursement shall be consistent with the requirements of the cost-based reimbursement methodology set forth in DCMR Chapter 104.

State: District of Columbia

Select Carve-out Drugs

Select carve-out drugs found on the state's website at https://dhcf.dc.gov/service/cell-and-gene-therapy-carve-out are excluded from MCOs and will be paid at 100% of the Actual Acquisition Cost (AAC).

Citation	Condition or Requirement
1932(a)(5)(D)(b)(4) 42 CFR 438.228	J. The state assures that each MCO has established an internal grievance and appeal system for enrollees.
1932(a)(5)(D)(b)(5) 42 CFR 438.62 42 CFR 438.68 42 CFR 438.206 42 CFR 438.207 42 CFR 438.208	K. Services, including capacity, network adequacy, coordination, and continuity. ☑ The state assures that all applicable requirements of 42 CFR 438.62, regarding continued service to enrollees, will be met. ☑ The state assures that all applicable requirements of 42 CFR 438.68, regarding network adequacy standards, will be met. ☑ The state assures that all applicable requirements of 42 CFR 438.206, regarding availability of services, will be met. ☑ The state assures that all applicable requirements of 42 CFR 438.207, regarding assurances of adequate capacity and services, will be met. ☑ The state assures that all applicable requirements of 42 CFR 438.208, regarding coordination and continuity of care, will be met.
1932(c)(1)(A) 42 CFR 438.330 42 CFR 438.340	L. ☑ The state assures that all applicable requirements of 42 CFR 438.330 and 438.340, regarding a quality assessment and performance improvement program and State quality strategy, will be met.
1932(c)(2)(A) 42 CFR 438.350 42 CFR 438.354 42 CFR 438.364	M. ☑ The state assures that all applicable requirements of 42 CFR 438.350, 438.354, and 438.364 regarding an annual external independent review conducted by a qualified independent entity, will be met.
1932 (a)(1)(A)(ii)	N. Selective Contracting Under a 1932 State Plan Option. To respond to items #1 and #2, place a check mark. The third item requires a brief narrative. 1. The state will ☑/will not ☐intentionally limit the number of entities it contracts under a 1932 state plan option. 2. ☑ The state assures that if it limits the number of contracting entities, this limitation will not substantially impair beneficiary access to services. 3. Describe the criteria the state uses to limit the number of entities it contracts under a

1932 state plan option. *(Example: a limited number of providers and/or enrollees.)*

The District Medicaid Program establishes the criteria to be used in a Request for Proposal (RFP) when considering a health care entity for a contract as a District Managed Care Provider. The District may or may not include language in the RFP that limits the number of entities chosen for consideration. If limiting criteria are included in the RFP, the criteria are established based upon the District's demographics, current enrollment, and projected enrollment over the contract period.

4. ☑ The selective contracting provision is not applicable to this state plan.