

Table of Contents

State/Territory Name: DC

State Plan Amendment (SPA) #: 25-0006

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

October 2, 2025

Melisa Byrd
Senior Deputy Director/Medicaid Director
441 4th Street, NW, 9th Floor, South
Washington, DC 20001

RE: TN 25-0006

Dear Byrd:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed DC state plan amendment (SPA) to Attachment 4.19-B, 25-0006 which was submitted to CMS on July 14, 2025. This plan amendment will update fee schedule rates for home health services.

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 July 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Lindsay Michael at 410-786-7197 or Lindsay.michael@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting 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: DC 25-0006	2. STATE: District of Columbia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT	
TO: CENTER DIRECTOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: July 1, 2025	
5. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §§ 440.70, and 447.200		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars): a. FFY 2025: <u>\$813.90</u> b. FFY 2026: <u>\$849.75</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B: Pages 4c and 13a		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B: Pages 4c and 13a	
9. SUBJECT OF AMENDMENT: Update the fee schedule reimbursement rates for home health services.			
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. SIGNATURE OF STATE AGENCY OFFICIAL 		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	
12. TYPED NAME Melisa Byrd			
13. TITLE Senior Deputy Director/Medicaid Director			
14. DATE SUBMITTED July 14, 2025			
FOR CMS USE ONLY			
16. DATE RECEIVED 7/14/25		17. DATE APPROVED October 2, 2025	
PLAN APPROVED – ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/25		19. APPROVING OFFICIAL 	
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion		21. TITLE OF APPROVING OFFICIAL Director, DRR	
22. REMARKS			

7b. Home Health Services

Home Health services and provider qualifications are outlined per Attachment 3.1A, Supplement 1, page 8.1-9r and Attachment 3.1B, Supplement 1, page 7.1-8r. Reimbursement for Home Health Services shall be based on a prospective payment basis established by the State Medicaid Agency in accordance with the reimbursement methodologies outlined in this section and Section 21. For all services provided, the reimbursement will be the lesser of the amount described in Section 21 or derived from the methodology outlined in this section, or the amount charged by the provider.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Home Health Services. The agency's fee schedule rates for Home Health Services were set as of July 1, 2025, and are effective for services provided on or after that date. All rates are published on the agency's website at: <http://www.dc-medicaid.com>.

Living Wage Adjustment

Effective October 1, 2017 and annually thereafter, the reimbursement rates for Home Health Aides shall be adjusted annually with the Living Wage rate published by the District of Columbia, Department of Employment Services. This adjustment entails updating the reimbursement rates to reflect the published living wage amount, to ensure the rates are consistently aligned with current District of Columbia Living wage rates in effect during that fiscal year.

Inflation Adjustment

Effective October 1, 2017 and annually thereafter, the reimbursement rates for Skilled Nursing services shall be adjusted annually by the Medicare Economic Index factor for skilled nursing published by the Centers for Medicare and Medicaid Services.

Administrative Add-ons

All rate methodologies under this section shall include the following administrative expense add-ons in computing the rate amounts:

- 11% Employee Taxes - This is comprised of the Social Security (6.2%), Medicare (1.45%), Workers Compensation (2%) and Unemployment Benefits (1.18%)
- 8.13% Employee Benefits - Medical Insurance and Sick Leave Provision
- 18% - Provider Administrative overhead, based on the reviewed Fiscal Year (FY) 2013 cost reports filed by Home Health Agencies for Home Health services

Supplemental Payments

(a) Effective on or after May 12, 2024, through March 31, 2025, DHCF will make supplemental payments to strengthen the direct service workforce and to increase the pay of direct support professionals who are likely to be paid at or near the minimum/living wage for delivering the following State Plan services:

- 1905(a) Home Health Agency- Personal Care Aides; Home Health Aides

Supplemental payments will be disbursed to provider agencies in annual, lump sum allotments.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Medicaid services set forth below. DHCF's fee schedule rate was set as of October 1, 2023 and is effective for services provided on or after that date. All rates are published on DHCF's website at <https://www.dc-medicaid.com/dcwebportal/nonsecure/feeScheduleDownload>.

- I. The DHCF fee schedule for dentist and orthodontist services, referenced at subparagraph iii.b. of paragraph 21. Fee-for-Service Providers, was set as of June 1, 2018 and is effective for services provided on or after that date.
- II. The DHCF fee schedule for transportation services, referenced at subparagraph iii.l. of paragraph 21. Fee-for-Service Providers, was set as of October 1, 2018 and is effective for services provided on or after that date.
- III. The DHCF fee schedule for home health services, referenced at subparagraph iii.h. of paragraph 21. Fee-for-Service Providers, was set as of July 1, 2025 and is effective for services provided on or after that date.
- IV. The DHCF fee schedule for medical supplies and equipment services, referenced at subparagraph iii.i. of paragraph 21. Fee-for-Service Providers, was set as of January 1, 2024 and is effective for services provided on or after that date.
- V. The DHCF fee schedule for physician services, referenced at subparagraph iii.a. of paragraph 21. Fee-for-Service Providers, was set as of December 1, 2020 and is effective for services provided on or after that date.
- VI. The DHCF fee schedule for Independently Licensed Behavioral Health Practitioners, referenced at 3.1-A Independently Licensed Behavioral Health Practitioners, was set as of January 1, 2022 and is effective for services provided on or after that date.
- VII. The DHCF fee schedule for Clinic services, referenced at paragraph 9 was set as of February 1, 2024 and is effective for services provided on or after that date.
- VIII. The DHCF fee schedule for Medication Therapy Management was set as of July 1, 2024 and is effective for services provided on or after that date.