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State/Territory Name: DISTRICT OF COLUMBIA

State Plan Amendment (SPA) #: DC-26-0001

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

Financial Management Group

September 15, 2026

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

RE: TN 26-0001

Dear Senior Deputy Director/Medicaid Director Byrd:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed District of Columbia State Plan Amendment (SPA) to Attachment 4.19-B DC-26-0001 which was submitted to CMS on March 17, 2026. This plan amendment updates the rebasing schedule for 1915(i) Housing Supportive 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 October 1, 2026. 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 Ysabel Gavino via email at Maria.Gavino@cms.hhs.gov.

Sincerely,

[redacted]

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-26-0001**

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:
October 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION:
42 CFR §441.304(d)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars):
a. FFY 2026 $0
b. FFY 2027 $0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B pages 36a, 36b, 36c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B pages 34-36

9. SUBJECT OF AMENDMENT:

Amend the rebasing schedule for housing supportive 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
[redacted]

12. TYPED NAME
Melisa Byrd

13. TITLE
Senior Deputy Director/Medicaid Director

14. DATE SUBMITTED
March 17, 2026

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
March 17, 2026

17. DATE APPROVED

PLAN APPROVED – ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2026

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

Methods and Standards for Establishing Payment Rates

1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates)*:

☐	HCBS Case Management
☐	HCBS Homemaker
☐	HCBS Home Health Aide
☐	HCBS Personal Care
☐	HCBS Supported Employment
☐	HCBS Habilitation
☐	HCBS Respite Care

For Individuals with Chronic Mental Illness, the following services:

☐	HCBS Day Treatment or Other Partial Hospitalization Services
☐	HCBS Psychosocial Rehabilitation
☐	HCBS Clinic Services (whether or not furnished in a facility for CMI)

☒	Other Services (specify below)

Housing Stabilization Services and Housing Navigation Services:

Reimbursement for Housing Stabilization Services and Housing Navigation Services shall be paid based upon a single per member per month (PMPM) rate that encompasses all Housing Stabilization Services and Housing Navigation Services provided to a participant within a month. A Housing Supportive Services (HSS) agency must provide Housing Stabilization Services and/or Housing Navigation Services a minimum of two (2) times within a month to be eligible for a PMPM payment. For all services provided, the reimbursement will be the lesser of the amount derived from the methodology below or the amount charged by the provider. Housing Stabilization Services, Housing Navigation Services, and provider qualifications are outlined per Attachment 3.1-i pages 94-100.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of housing supportive services. The agency's fee schedule was set as of April 1, 2022 and is effective for services provided on or after that date. The PMPM rate was inflated on January 1, 2023, and annually inflated thereafter until the rebasing of the PMPM rate; the CMS Medicare Economic Index (MEI) shall be the inflation adjustment factor. Every third year, the Department of Health Care Finance (DHCF) shall complete financial reviews of HSS agencies' cost surveys to analyze the completeness, accuracy, compliance, and reasonableness of the surveyed costs. This information will be utilized to determine, on a cost basis, the rebasing of the PMPM rate effective January 1, 2028, and every four years thereafter. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of housing supportive services. All rates are published on the District of Columbia Medicaid website at https://medicaid.dc.gov/InteractiveFeeSchedules/FeeScheduleSearch.

The PMPM rate shall be calculated based on the following parameters:

1. Total annual HSS costs shall equal direct care costs plus non-direct care costs multiplied by the inflation adjustment factor.
2. Total annual HSS costs per participant shall equal total annual HSS costs divided by the beneficiary capacity limit of one hundred (100).
3. Adjusted total enrollment months shall equal twelve (12) months times the productivity factor.
4. The PMPM rate shall equal total annual allowable HSS costs per participant divided by adjusted total enrollment months.

The total annual HSS costs described in this subpart shall be determined based on the following:

1. Direct care and non-direct care costs shall be determined based on the allowable costs reported on the most recently submitted annual cost survey.
    a. Direct care costs are comprised of the allowable salary and benefit costs of case managers and case manager supervisors associated with the provision of HSS.
    b. Non-direct care costs are comprised of allowable costs that are not directly related to direct services but a provider would expect to incur as part of the provision of services, which include:
        i. Other personnel costs,
        ii. Facility site costs,
        iii. Utility costs,
        iv. Supply and equipment costs,

v. Depreciation costs,
vi. Insurance costs,
vii. Compliance costs,
viii. Employee transportation costs,
ix. Technology costs, and
x. Participant supply costs not covered by another service that is similar in nature and scope.

2. Allowable costs shall be determined in accordance with the Medicare Principles of Reimbursement.
3. The inflation adjustment factor shall equal the lesser of the CMS MEI adjustment for the previous calendar year or two percent (2%).
4. Direct care costs for case managers shall be limited to no more than twenty-five (25) participants per case manager.
5. Direct care costs for case manager supervisors shall be limited to no more than one-hundred and twenty-five (125) participants per case manager supervisor.

The HSS agency shall submit the cost survey to DHCF as follows:

1. The cost survey shall be submitted on an annual basis within one hundred and twenty (120) days of its fiscal year end.
2. The cost survey shall cover a period of twelve (12) months, which shall be the same as the provider's fiscal year, unless DHCF has approved an exception. The cost survey shall be submitted on the DHCF approved form and shall be completed in accordance with the published cost survey instruction manual.
3. A delinquency notice shall be issued if the provider does not submit the cost survey on time and has not received an extension of the deadline for good cause.
4. Each provider shall maintain adequate financial records and statistical data for proper determination of allowable costs and in support of the costs reported on each line of the cost survey.
5. Each provider shall maintain the records pertaining to each cost survey for a period of not less than seven (7) years after submission of the cost survey. If the records relate to a cost survey under audit or appeal, records shall be retained until the audit or appeal is completed.

All records and other information related to the establishment of payment rates may be subject to period verification, review, or audit. In accordance with state and federal privacy laws, each HSS agency shall allow appropriate personnel of DHCF, the Department of Human Services, other authorized agency or official of the District of Columbia government and federal government full access to all records during audits and reviews.