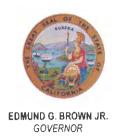


State of California—Health and Human Services Agency

Department of Health Care Services



DEC 2 9 2016

Ms. Henrietta Sam-Louie Associate Regional Administrator Division of Medicaid and Children's Health Operations Centers for Medicare & Medicaid Services San Francisco Regional Office 90 Seventh Street, Suite 5-300 (5W) San Francisco, CA 94103-6707

STATE PLAN AMENDMENT 16-046: MEDI-CAL REIMBURSEMENT RATES FOR RADIOLOGY SERVICES.

Dear Ms. Sam-Louie:

The California Department of Health Care Services (DHCS) is submitting the enclosed State Plan Amendment (SPA)16-046 documents for your review and approval. Following discussions with Centers for Medicare and Medicaid Services (CMS), DHCS is submitting this SPA to clearly identify the current annual reimbursement methodology for Fee-For-Service (FFS) outpatient provider rates for Radiology Services.

Senate Bill (SB) 853 (Chapter 717, Statutes of 2010) added Welfare and Institutions (W&I) code section 14105.08 which requires DHCS to annually reduce Medi-Cal reimbursement rates for Radiology Services so they do not exceed 80 percent of the corresponding Medicare rate. This SPA clarifies the current practice that Medi-Cal rates will be adjusted so they do not exceed 80 percent of the applicable Medicare payment levels, as currently described on page 3K of 4.19-B of the State Plans.

The following SPA documents are enclosed for your review and approval:

- HCFA 179-Transmittal and Notice Approval of State Plan Material
- Page 3K of Attachment 4.19-B (Clean)
- Page 3K of Attachment 4.19-B (Redlined)

A Notice of Public Interest for the continuation of radiology rate reimbursements, was published on September 30, 2016 on the DHCS webpage. On November 18, 2016, CMS informed DHCS that a tribal notice was not required for this SPA. In addition, CMS confirmed DHCS that a public input process was not required for this SPA.

Ms.Henrietta Sam-Louie Page 2 December 29, 2016

If you have any questions or need additional information, please contact Ms. Connie Florez, Chief, Fee-For-Service Rates Development Division, at (916) 552-9600.

Sincerely,

ORIGINAL SIC

Mari Cantwell Chief Deputy Director Health Care Programs State Medicaid Director

Enclosures

cc: Ms. Connie Florez, Chief
Fee-For-Service Rates Development Division
1501 Capitol Avenue, MS 4600
Sacramento, CA 95814

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FORM HCFA-179 (07-92)

23. REMARKS:

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

REIMBURSEMENT METHODOLOGY FOR RADIOLOGY SERVICES

- Except as otherwise noted in the State Plan, state-developed fee schedules are the same for both governmental and private providers of radiological services. The department's fee schedule rates were set as of October 1, 2012 and are effective for services provided on or after that date through September 30, 2016. All Medi-Cal Fee for Services rates are published at: http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp.
- 2) The department's fee schedule rates, set as of October 1, 2016, and annually thereafter, will be adjusted so they do not exceed 80 percent of the applicable Medicare payment levels. All Medi-Cal Fee for Services rates are published at: http://files.medi-cal.ca.gov/pubsdoco/rates/rateshome.asp.

Radiology Rate Reduction Summary

	Codes		
Year	Affected	Savings TF	Savings GF
2014	511	\$28,744,804	\$14,372,402
2015	352	\$20,426,453	\$10,213,227
2016	180	\$585,019	\$292,510

2016 Rate Adjustment effective, October 1, 2016 - September 30, 2017 **For HCFA** FFY 2017: \$292,510