

**DEPARTMENT OF HEALTH CARE SERVICES  
NOTICE OF GENERAL PUBLIC INTEREST  
RELEASE DATE: DECEMBER 29, 2021**

**PROPOSED STATE PLAN AMENDMENT TO CLARIFY THE HEALTHCARE  
PROCEDURE CODING SYSTEM QUARTERLY UPDATE PROCESS AND TO  
AMEND THE REIMBURSEMENT METHODOLOGY FOR NON-INSTITUTIONAL  
SERVICES**

This notice provides information of public interest about a proposed State Plan Amendment (SPA) 22-0013 that the Department of Health Care Services (DHCS) plans to submit to the Centers for Medicare and Medicaid Services (CMS). The proposed SPA seeks to clarify the Healthcare Common Procedure Coding System (HCPCS) quarterly update process, whereby discontinued HCPCS codes are replaced by new HCPCS codes or new HCPCS codes established, and to amend the reimbursement methodology for non-institutional services, effective January 1, 2022.

Beginning January 1, 2022 and on the first of each calendar year quarter thereafter, DHCS will engage in a quarterly update process to establish new HCPCS codes, and reimbursement rates when necessary, for non-institutional services. DHCS will establish the reimbursement rates for new HCPCS codes based on the reimbursement methodologies for non-institutional services included in Attachment 4.19-B. SPA 22-0013 will also amend the reimbursement methodology for non-institutional services to include 80% of the lowest maximum allowance established by the Medicare program for the same or similar item or service as an additional factor that may be used when establishing reimbursement rates.

The annual aggregate Medi-Cal fee-for-service expenditure is indeterminate at this time. The impact on Medi-Cal reimbursement rates is unknown because the changes to the HCPCS codes have not been established in the Medicare system yet.

The effective date of the proposed SPA is January 1, 2022. All proposed SPAs are subject to approval by CMS.

**PUBLIC REVIEW AND COMMENTS**

Upon submission to CMS, a copy of the proposed SPA #22-0013 will be published at the following internet address:

<https://www.dhcs.ca.gov/formsandpubs/laws/Pages/PendingStatePlanAmendments.aspx>

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA #22-0013 using the mailing or email addresses listed below.

Written comments may be sent to the following address:

Department of Health Care Services  
Fee-For-Service Rate Development Division  
Attn: Provider Rates Section  
P.O. Box 997413, MS 4600  
Sacramento, California 95899-7417

Comments may also be emailed to [PublicInput@dhcs.ca.gov](mailto:PublicInput@dhcs.ca.gov). Please indicate SPA #22-0013 in the subject line or message.

A copy of submitted public comments to SPA #22-0013 may be requested in writing to the mailing or email addresses identified above.