

**DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST
RELEASE DATE: JUNE 28, 2022**

**PROPOSED STATE PLAN AMENDMENT TO EXEMPT CERTAIN SERVICES
AND PROVIDERS FROM THE ASSEMBLY BILL 97 PAYMENT REDUCTIONS**

This notice provides information of public interest regarding a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). DHCS plans to submit proposed SPA 22-0039 to the federal Centers for Medicare & Medicaid Services (CMS) to exempt certain Medi-Cal Fee-For-Service (FFS) services and providers from the Assembly Bill (AB) 97 (Chapter 3, Statutes of 2011) payment reductions, effective July 1, 2022.

Pursuant to AB 97, codified in Welfare and Institutions Code (WIC) section 14105.192, Medi-Cal FFS benefits are subject to payment reductions of no more than 10 percent for dates of service on and after June 1, 2011.

The Budget Act of 2022 or related legislation, once enacted, is anticipated to amend WIC section 14105.192 authorizing the exemption of specified FFS services and providers from the AB 97 payment reductions, effective July 1, 2022 and January 1, 2023.

The following FFS services and providers will be exempt from the AB 97 payment reductions for dates of service on or after July 1, 2022:

- Nurses, including certified nurse-midwives, nurse anesthetists, certified pediatric nurse practitioners, certified family nurse practitioners, and group certified pediatric nurse practitioners.
- Alternative Birthing Centers
- Audiologists/hearing aid dispensers
- Respiratory care providers
- Durable Medical Equipment (DME)
- Chronic dialysis clinics
- Emergency medical air transportation services
- Non-emergency medical transportation services
- Doula services
- Community health worker services
- DME and related supplies or accessories, that is a continuous glucose monitoring system or continuous glucose monitoring system supplies and accessories
- Physician services and services by other licensed practitioners delivered via remote patient monitoring (RPM)
- Asthma prevention services
- Dyadic services
- Medication therapy management services

- Clinical laboratory services, that are 2019 novel coronavirus disease (COVID-19) diagnostic testing or specimen collection services
- Blood Banks
- Occupational Therapy
- Orthotists
- Psychologists
- Medical Social Work or Medical Social Services
- Speech pathologists
- Outpatient heroin detoxification services
- Dispensing opticians
- Optometrists, including optometry groups
- Acupuncturist
- Portable imaging services
- The following primary care or specialty clinics
 - Community clinics
 - Free clinics
 - Surgical clinics
 - Rehabilitation clinics
 - Clinics exempt from licensure under Section 1206 of the Health and Safety Code, including non-hospital county-operated community clinics.
- Services provided under the California Children’s Services Program and under the Genetically Handicapped Persons Program

The following services and provider types will be exempt from the AB 97 payment reductions for dates of service on or after January 1, 2023:

- Podiatrists
- Prosthetists

DHCS estimates that the annual aggregate Medi-Cal expenditures resulting from SPA 22-0039 will increase by approximately \$20 million in total funds based on the most recent available data.

The proposed SPA is subject to approval by CMS.

PUBLIC REVIEW AND COMMENTS

Upon submission to CMS, a copy of the proposed SPA 22-0039 will be published at the following internet address:

<https://www.dhcs.ca.gov/formsandpubs/laws/Pages/Pending-2022.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 22-0039 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 Rates 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. Please indicate SPA 22-0039 in the subject line or message.

A copy of submitted public comments to SPA 22-0039 may be requested in writing to the mailing or email addresses identified above.