

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

**PROPOSED STATE PLAN AMENDMENT TO MAINTAIN THE FEE-FOR-SERVICE  
MEDI-CAL RATES FOR DURABLE MEDICAL EQUIPMENT, CONSIDERED TO BE  
OXYGEN AND RESPIRATORY EQUIPMENT**

This notice provides information of public interest regarding proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). Proposed SPA 22-0073 is seeking federal authority to maintain Fee-for-Service (FFS) Medi-Cal rates for Durable Medical Equipment (DME), considered to be oxygen and respiratory equipment, effective January 1, 2023.

The Budget Act of 2022, Assembly Bill (AB) 178 (Chapter 45, Statutes of 2022), authorizes DHCS to reimburse DME Oxygen and Respiratory rates at no more than 100 percent of the lowest maximum allowance for California established by the federal Medicare Program for the same or similar item or service. Accordingly, DHCS will maintain the current DME Oxygen and Respiratory that are currently effective on the Medi-Cal fee schedule and approved in the State Plan as of December 31, 2022. The effective date of the proposed SPA is January 1, 2023.

Reimbursement for DME oxygen and respiratory equipment are exempt from the 10 percent payment reduction described in Attachment 4.19-B, page 3.3, paragraph 13 of the State Plan.

DHCS estimates that the annual Medi-Cal expenditures for the SPA will increase by \$10.7 million in total funds, based on data available at this time. The proposed SPA is subject to approval by CMS.

**PUBLIC REVIEW AND COMMENTS**

Upon submission to CMS, a copy of the proposed SPA 22-0073 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 22-0073 or a copy of submitted public comments related to SPA 22-0073 by requesting it in writing to the mailing or email addresses listed below. Please indicate SPA 22-0073 in the subject line or message.

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](mailto:PublicInput@dhcs.ca.gov). Please indicate SPA 22-0073 in the subject line or message