

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

**PROPOSED STATE PLAN AMENDMENT TO ADJUST THE MEDI-CAL  
FEE-FOR-SERVICE REIMBURSEMENT RATES FOR RADIOLOGY SERVICES**

This notice serves to provide information of public interest regarding proposed State Plan Amendment (SPA) 23-0004 that the Department of Health Care Services (DHCS) plans to submit to the Centers for Medicare and Medicaid Services (CMS). The proposed SPA is seeking federal authority to reduce Medi-Cal Fee-For-Service (FFS) reimbursement rates for radiology services, effective January 1, 2023. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning proposed SPA 23-0004, which is attached below.

SPA 23-0004 proposes to establish a reimbursement methodology to conduct an annual rate review, and adjust certain Medi-Cal FFS rates for radiology services in accordance with Welfare and Institutions Code section 14105.08. The reimbursement methodology provides that effective January 1, 2023, and on January 1 each year thereafter, rates exceeding 80 percent of the most current Medicare rate will be reduced to 80 percent of the corresponding Medicare rate. Radiology services include diagnosis, treatment, and intervention using medical imaging techniques.

DHCS estimates that the annual aggregate Medi-Cal expenditures for radiology services will decrease by approximately \$2.5 million in total funds.

The proposed SPA is subject to approval by CMS.

**PUBLIC REVIEW AND COMMENTS**

The proposed changes included in draft SPA 23-0004 are attached to this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

Upon submission to CMS, a copy of the proposed SPA 23-0004 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 23-0004 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  
Provider Rates Section  
1501 Capitol Avenue, MS 4600  
Sacramento, California 95899-7417

Comments may also be emailed to [PublicInput@dhcs.ca.gov](mailto:PublicInput@dhcs.ca.gov). Please indicate SPA 23-0004 in the subject line or message.

To be assured consideration prior to submission of the SPA to CMS, comments must be received no later than January 27, 2023. Please note that comments will continue to be accepted after January 27, 2023, but DHCS may not be able to consider those comments prior to the initial submission of SPA 23-0004 to CMS.

A copy of submitted public comments to SPA 23-0004 may be requested in writing to the mailing or email addresses identified above.

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

REIMBURSEMENT METHODOLOGY FOR RADIOLOGY SERVICES

- 1) Notwithstanding any other provision of this Attachment, the methodology utilized by the State Agency in establishing Medi-Cal fee-for-service reimbursement rates for Radiology services, as described in State Plan Attachment 3.1-A and 3.1-B, will be calculated by the Department of Health Care Services (DHCS) using the following methodology:
  - a. For dates of service on or after January 1, 2023, the reimbursement rates shall be the lowest of the following:
    - i. The amount billed;
    - ii. The charge to the general public;
    - iii. The rate in effect on the Medi-Cal Fee Schedule for the current calendar year, which shall be the lowest of the following:
      1. The rate in effect on the Medi-Cal Fee Schedule as of December 31 of the preceding calendar year; or
      2. 80 percent of the corresponding Medicare Physician Fee Schedule rate in effect for the current calendar year, for the same or similar service.
  - b. Effective January 1, 2023, and on January 1 of each year thereafter, DHCS will adjust rates exceeding 80 percent of the corresponding Medicare Physician Fee Schedule rate for the same or similar service to 80 percent of the Medicare rate. Any rate that does not exceed 80 percent of the Medicare rate will not be adjusted.
- 2) Except as otherwise noted in the State Plan, state-developed fee schedules are the same for both governmental and private providers of radiological services. All Medi-Cal Fee-for-Service rates are published at: <https://files.medi-cal.ca.gov/rates/rateshome.aspx>