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Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

August 4, 2009

ALL CALIFORNIA INDIAN HEALTH PROGRAMS AND URBAN INDIAN
ORGANIZATIONS

MEDI-CAL STATE PLAN AMENDMENTS

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the Department of Health Care Services (DHCS), is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on matters relating to the Medi-Cal program that are likely to have a direct effect on such organizations. DHCS is also required to solicit advice from such organizations prior to the submission of any state plan amendments, waiver requests, and proposals for demonstration projects likely to have a direct effect on Indians, Indian Health Programs, or Urban Indian Organizations. DHCS will formalize a process for soliciting advice from Indian Health Programs and Urban Indian Organizations based on guidance forthcoming from the Centers for Medicare and Medicaid Services (CMS).

In recognition of this new requirement, DHCS is providing this summary of seven state plan amendments (SPAs) to all California Indian Health Programs and Urban Indian Organizations and is inviting any comments or questions pertaining to these SPAs. Additionally, DHCS is asking for assistance from the California Area Indian Health Services in the dissemination of this information by publication of this document on its Internet website.

These seven SPAs will implement changes to the Medi-Cal program made by the State Budget Act of 2009, and conform to the requirements of ARRA. These changes will affect coverage of Medicaid optional benefits and eligibility for certain Medi-Cal programs. If approved, these SPAs will be retroactively effective July 1, 2009.

BENEFITS-RELATED STATE PLAN AMENDMENTS

Exclusion of Nine Optional Benefits under Medi-Cal (SPA 09-001)

SPA 09-001 would exclude coverage of the following Medicaid optional benefits:

1. Adult dental services, except medical and surgical services provided by a doctor of dental medicine or surgery, which if provided by a physician would be considered physician services;
2. Acupuncture services;
3. Audiology services;
4. Speech therapy services;
5. Chiropractic services;
6. Optometric and optician services, including services provided by a fabricating optical laboratory;
7. Podiatric services;
8. Psychology services;
9. Incontinence creams and washes.

These optional benefits shall be covered under the Medi-Cal program only for the following individuals:

1. Pregnant women, if the excluded optional benefit is part of their pregnancy-related services or for services to treat a condition that might complicate the pregnancy.
2. Individuals who are eligible beneficiaries under the Early and Periodic Screening Diagnosis and Treatment (EPSDT) program.
3. Individuals who are receiving long-term care in a licensed skilled or intermediate care facility (NF-A and NF-B).

Supplement 6 Attachment 4.19 B page 2 of this SPA applies the Medicaid optional benefit exclusions, as well as the exemptions for the three coverage groups, listed above, to reimburse Indian Health Services (IHS) and Tribal 638 Health Facilities under the IHS all-inclusive rate.

Reduction in Optional Benefits for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) (SPA 09-015)

SPA 09-015 would implement the optional benefit reductions outlined in SPA 09-001 in FQHCs and Rural Health Clinics RHCs. The nine optional benefits excluded under SPA 09-001 will be FQHC and RHC covered services only for the following Medi-Cal beneficiaries:

- Pregnant women if the service is part of their pregnancy-related services or for services to treat a condition that may complicate the pregnancy.
- Individuals who are eligible beneficiaries under the EPSDT program.

ELIGIBILITY-RELATED STATE PLAN AMENDMENTS

Pursuant to Senate Bill (SB) X3 6, chaptered in February 2009, the State Supplementary Payment (SSP) program was reduced by 2.3 percent effective on July 1, 2009. The purpose of the following SPAs is to implement eligibility changes, which will reverse the effects of the SSP program reduction on the eligibility of applicants or beneficiaries of certain Medi-Cal programs.

- **Income Exemption for the 250 Percent Working Disabled Program (SPA 09-008):** SPA 09-008 would implement an income exemption for individuals in California's 250 Percent Working Disabled program. This change would maintain eligibility in the 250 Percent Working Disabled program at the level in effect on June 30, 2009.
- **Blind Individuals Otherwise Eligible under the SSI/SSP Program (SPA 09-009):** SPA 09-009 would implement a new coverage group for individuals who qualify as blind under Title II or XVI of the Social Security Act. This change would maintain Medi-Cal eligibility for blind applicants or beneficiaries of the SSI/SSP program at the level in effect on June 30, 2009.
- **Individuals Otherwise Eligible under the Pickle Amendment (SPA 09-010):** SPA 09-010 would implement a new coverage group for individuals who would otherwise qualify for Medi-Cal benefits under the Pickle Amendment (Public Law No. 94-566), which provides continuing Medicaid coverage for certain beneficiaries who lose eligibility due to a cost of living increase in their Social Security benefits. This change would maintain eligibility in the Pickle Medi-Cal program at the level in effect on June 30, 2009.
- **Individuals Otherwise Eligible for the Disabled Adult Children Program (SPA 09-011):** SPA 09-011 would implement a new coverage group for individuals who would otherwise qualify for Medi-Cal benefits as Disable Adult Children under Titles XVI and XIX of the Social Security Act. This change would maintain eligibility in the Disabled Adult Child(ren) Medi-Cal program at the level in effect on June 30, 2009.
- **Individuals Otherwise Eligible for the Early Disabled Widow(er)s Program (SPA 09-012):** SPA 09-012 would implement a new coverage group for individuals who would otherwise qualify for Medi-Cal benefits as Early Disable Widow(er)s under Titles XVI and XIX of the Social Security Act. This change would maintain eligibility in the Early Disable Widow(er)s Medi-Cal program at the level in effect on June 30, 2009.

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QUESTIONS AND COMMENTS

Indian Health Programs and Urban Indian Organizations may submit any written comments or questions, within 30 days from the receipt of this letter, but no later than September 11, 2009, by e-mail to Kathryn.Waje@dhcs.ca.gov or by mail to:

Kathryn Waje
Utilization Management Division
Department of Health Care Services
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Questions and comments may also be submitted to DHCS' dedicated email inbox for Indian health concerns: Indianhealthissues@dhcs.ca.gov.

If you have any questions before submitting your comments, please contact Kathryn Waje at (916) 552-9594 or by e-mail to Kathryn.Waje@dhcs.ca.gov.

Sincerely,



René Mollow
Associate Director and Medi-Cal Tribal Liaison