



Department of Health Care Services
MEMORANDUM

DATE: April 8, 2011
TO: California Indian Health Programs and Urban Indian Organizations
FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division 
SUBJECT: Notice of Proposed Change to Medi-Cal Program

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

SPA 11-015 – Reduction of Enteral Nutrition Benefit Program Summary: State Plan Amendment (SPA) 11-015 will amend the State Plan to implement Assembly Bill 97, Chapter 3, Statutes of 2011, Section 14132, which places a limit on enteral nutrition products to those products that are administered through a feeding tube. The department may deem an enteral nutrition product not administered through a feeding tube a benefit for patients with other diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism. The proposed changes will align the Medi-Cal enteral benefit more closely with the current Medicare benefit, which the federal government limits to those who are tube fed. The proposed effective date is September 1, 2011. Please see the attached summary of SPA 11-015 for a detailed description and contact information for questions or comments regarding this proposal.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days from the receipt of this letter. Please do not send comments later than May 8, 2011. Comments may be sent by email to Pansy.Watson@dhcs.ca.gov or by mail to:

Medical & Nutritional Supplies Benefits Branch
Department of Health Care Services
1501 Capitol Avenue, Suite 71.5131
PO Box 997413
Sacramento, CA 95899-7413
Attention: Pansy Watson

Enclosure

**Medical & Nutritional Supplies Benefits Branch
Department of Health Care Services
State Plan Amendment (SPA) Number 11-015**

Background:

The Medi-Cal Fee-For-Service (outpatient) Enteral Nutrition (Pharmacy Only) Benefit program is an optional benefit under Title XIX of the Social Security Act, which established the State-option Medical Assistance program (Medicaid). According to Medi-Cal's State Plan, enteral nutrition products: 1.) Are covered only when supplied by a pharmacy provider upon the prescription of a licensed practitioner within the scope of his or her practice; 2.) Enteral nutrition products commonly used in providing Skilled Nursing Facilities and Intermediate Care Facilities level of care are not separately billable; and 3.) Common household items (food) are not covered.

The authority for contracting for specific nutrition products is established in *Welfare and Institutions Code Section 14105.8*, chaptered in 2002. California is among a few states that provide an enteral nutrition benefit for non-tube fed beneficiaries age 21 years and older. Pharmacy providers must submit a Treatment Authorization Request (TAR) for approval prior to claim submission.

Description of SPA and Effective Date:

State Plan Amendment (SPA) 11-015 will amend the State Plan to implement Assembly Bill 97, Chapter 3, Statutes of 2011, Section 14132, which places a limit on enteral nutrition products to those products that are administered through a feeding tube. Beneficiaries under the Early and Periodic Screening, Diagnosis, Treatment Program shall be exempt. The department may deem an enteral nutrition product not administered through a feeding tube a benefit for patients with other diagnoses, including, but not limited to, malabsorption and inborn errors of metabolism. The proposed changes will align the Medi-Cal enteral benefit more closely with the current Medicare benefit, which the federal government limits to those who are tube fed.

The changes would reduce expenditures and achieve an estimated savings for fiscal year 2011-12 of \$28.9 million Total Funds (\$14.4 million for General Fund) and annually \$29.3 million Total Funds (\$14.6 million for General Fund).

The proposed effective date is September 1, 2011.

Impact to Indian Health Programs and Urban Indian Organizations

Impact to Indian Health Programs

It is not anticipated that this SPA will directly impact the Tribal and Urban Indian health primary care system in California. However, Tribal and Urban Indian Health clinic pharmacies that submit a TAR for this benefit may not get approval due to the optional benefit reductions in enteral nutrition products for non-tube fed beneficiaries age 21 years and older.

Impact on Indian Health Beneficiaries

Indian Medi-Cal beneficiaries over 21 years who are not tube fed or do not have malabsorption nor inborn errors of metabolism may not be covered for enteral nutrition products.

Questions and Comments

Indian Health Programs and Urban Indian Organization may submit written comments or questions concerning this SPA within 30 days from the receipt of this letter. Comments may be sent by email to Pansy Watson at Pansy.Watson@dhcs.ca.gov or by mail to the address listed below:

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Attention: Pansy Watson