DHCS

Department of Health Care Services
MEMORANDUM

DATE: December 8, 2011

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division

SUBJECT: Notice of Proposed Change to the Medi-Cal Program and Teleconference

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 request or modification, or proposal for demonstration projects in the Medi-Cal program.

SPA 11-038-Pharmacy Provider Rate Reduction Implementation: DHCS intends to submit a SPA on or before December 31, 2011, that will give DHCS the flexibility to 1) reduce or adjust payment reductions by an amount that does not exceed 10 percent on an aggregate basis, 2) retain the discretion to not implement the particular payment reduction or adjustment and may adjust the payment as necessary in order to achieve consistency with federal Medicaid requirements, and 3) include as adjustments, but not be limited to, payment adjustments for specific drug products or for specific providers of drug products. Please see the attached summary of SPA 11-038 for a detailed description and contact information for questions or comments regarding this proposal.

DHCS will hold a teleconference to provide an opportunity to discuss and provide immediate feedback regarding this SPA. The teleconference will be held Thursday, December 15, 2011 from 2 p.m. to 3 p.m. To participate in this teleconference dial toll-free, 1-800-619-3529. When asked for a participant code number please dial 6280124. Please note this this SPA is scheduled for submission on December 29, 2011.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal prior to the scheduled submission date. Comments or feedback may be sent by email Kathleen Henry at pharbene@dhcs.ca.gov or by mail to the address listed below:

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Attention: Kathleen Henry

Enclosure