



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** February 23, 2018

**TO:** Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

**FROM:** Original Signed By Sandra "Sam" Willburn, Chief,  
Primary, Rural, and Indian Health Division

**SUBJECT:** Notice of Proposed Change to the 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, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to [Nathaniel.Emery@dhcs.ca.gov](mailto:Nathaniel.Emery@dhcs.ca.gov) or by mail to the address below:

**Contact Information**

Nathaniel Emery  
Clinical Assurance and Administrative Support Division  
Department of Health Care Services  
MS 4506  
P.O. Box 997413  
Sacramento, CA 95899-7413

In addition to this notice, DHCS plans to cover this proposal in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure



**Department of Health Care Services  
Tribal and Designees of Indian Health Programs Notice**

**PURPOSE**

The Department of Health Care Services (DHCS) proposes to submit an update in California's Alternative Benefit Plan (ABP) in State Plan Amendment (SPA) 18-002 to the Centers for Medicare and Medicaid Services for the necessary approvals to add marriage and family therapists (MFTs) as billable mental health providers in Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) under Medi-Cal, pursuant to Assembly Bill (AB) 1863<sup>1</sup>.

SPA 18-002 will also update ABP coverage to remove the Treatment Authorization Request (TAR) requirement for allergy shots given as a physician service.

**BACKGROUND**

Medi-Cal services provided at FQHCs and RHCs are paid on a "per visit" basis. A visit is defined as a face-to-face encounter between a patient of a FQHC or RHC and specified health care professionals<sup>2</sup>. Currently, MFTs provide mental health services at FQHCs and RHCs, but services aren't reimbursable on a per visit basis. SPA 18-002 will add MFTs to the list of specified health care professionals whose services are payable by Medi-Cal on a per visit basis.

Additionally, the ABP sets a limit of up to eight injections for allergy treatment within 120 days without requiring approval of a TAR. If a patient's medical condition warrants additional injections, a TAR is required. SPA 18-002 will eliminate this TAR requirement and allow additional medically necessary injections without prior approval.

**SUMMARY OF PROPOSED CHANGES**

According to AB 1863, Medi-Cal will add MFTs to the list of health care professionals whose services are payable on a per visit basis at FQHCs and RHCs. Mental health services are a covered Medi-Cal benefit for all eligible beneficiaries. MFT benefits provided under the Medi-Cal ABP will be the same schedule of benefits provided to Medi-Cal beneficiaries<sup>3</sup>. Mental health services, when provided by MFTs, will be payable to FQHCs and RHCs, to the extent that federal financial participation is available and necessary federal approvals are obtained. In order for a FQHC or RHC to bill MFT services as a separately reimbursable visit, a mandatory change of scope of services request (CSOSR) must be submitted after MFT services have been provided by the FQHC or RHC for one full fiscal year.

Medi-Cal intends to eliminate the TAR requirement for more than eight medically necessary allergy injections within 120 days to reflect current medical practice.

The proposed effective date for these changes is January 1, 2018.

<sup>1</sup> Assembly Bill 1863 (Wood, Chapter 610, Statutes of 2016)

<sup>2</sup> Welfare and Institutions Code, Section 14132.100(g)(1)

<sup>3</sup> Welfare and Institutions Code, Section 1432.02(a)

### **IMPACT TO TRIBAL HEALTH PROGRAMS**

SPA 18-002 will allow MFT services to be reimbursed by Medi-Cal when provided at FQHCs and RHCs. DHCS anticipates no impact to Tribal Health Programs (THPs), since THPs are currently paid for mental health services provided by MFTs<sup>4</sup>.

Providers at THPs do not submit TARs, so removing the TAR requirement for allergy injections will not impact them.

### **IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)**

FQHCs may have an increase in Medi-Cal patients seeking MFT services. If a FQHC chooses to bill for MFT services the FQHC must submit a CSOSR to DHCS. A CSOSR may increase or decrease the FQHC's payment rate.

Providers at FQHCs/RHCs do not submit TARs, so removing the TAR requirement for allergy injections will not impact them.

### **IMPACT TO INDIAN MEDI-CAL BENEFICIARIES**

There may be an increase in MFT services available for eligible Indian beneficiaries as FQHCs would be able to bill for the service.

### **RESPONSE DATE**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by e-mail to [Nathaniel.Emery@dhcs.ca.gov](mailto:Nathaniel.Emery@dhcs.ca.gov), or by mail to the address below:

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<sup>4</sup> Senate Bill x1-1 (Hernandez, Chapter 4, Statutes of 2013)