



**Department of Health Care Services (DHCS)  
State Plan Amendment (SPA) 18-003  
Questions and Responses**

1. Please provide details regarding the Change of Scope of Services Request (CSOSR) policy section of SPA 18-003. What does DHCS intend to accomplish by changing the CSOSR policy section of the State Plan, and how will this policy impact our programs?

**DHCS Response:** DHCS intends to clarify existing SPA language to ensure reasonableness and accuracy in the rate-setting process. The amendments to the Scope of Service Rate Adjustment section of SPA 18-003 are:

- Requiring that a service is added for 12 full months before a CSOSR can be submitted;
- Revising the start date for the all-inclusive rate that is determined by CSOSR to go back to the date the change occurred;
- Clarifying and defining the terms “type, intensity, duration, and amount of services” in reference to the CSOSR;
- Clarifying what does not qualify as a CSOSR; and
- Clarifying productivity standards applied to CSOSR.

Because all FQHCs must follow the requirements of SPA 18-003, SPA 18-003 will impact the Indian Health Services (IHS/MOA) clinics that participate in the Medi-Cal program as a Federally Qualified Health Center (FQHC). For example, the CSOSR rate setting methodology will ensure that the Prospective Payment System (PPS) rates of FQHCs reflect a reasonable cost per visit.

2. The FQHC “four walls” requirements refer to Health Resources and Services Administration (HRSA) FQHC requirements. There is no mention of Indian Health Program requirements for IHS/MOA clinics or Tribal FQHCs, which do not have Section 330 or FQHC Look-Alike status. How are IHS/MOA clinics and Tribal FQHCs impacted by the “four walls” requirements in SPA 18-003?

**DHCS Response:** DHCS' proposed SPA language clarifies which clinic services may be provided outside the "four walls" of a clinic. SPA 18-003 refers to the locations listed on the HRSA scope of project for services and locations outside of the four walls of the clinic. SPA 18-003 will only affect the IHS/MOA clinics that participate in Medi-Cal as FQHCs. All 330 grantees, Look-Alikes, and IHS/MOA that participate in the Medi-Cal program as a FQHC will have to meet the same requirements for services rendered outside of the four walls.

3. Please define "relocate" or "distance" as stated in SPA 18-003. For example, if a clinic moves less than 10 feet, 50 miles, less than 25 miles, less than 3000 miles?

**DHCS Response:** In SPA 18-003, the word "distance" is not associated with a clinic that is relocating. A clinic is deemed to have relocated if it has a different address, regardless of the distance between the clinic's old and new site.

4. Would PPS rate adjustments, based on new CSOSR policy, no longer be implemented retroactively, but rather implemented the "following" October? In addition, on what date would each of the new reimbursement policies be effective?

**DHCS Response:** SPA 18-003 clarifies that the new PPS rate based on a new CSOSR is retroactive to the first full fiscal year (12 months) that the change occurred. Currently, the rate change related to a CSOSR is the first day of the fiscal year after the change occurred. Only IHS/MOA providers that participate in the Medi-Cal program as FQHCs are impacted by this change.

5. I understand that there has been stakeholder engagement regarding the creation of SPA 18-003. However, there has been insufficient engagement with Indian Health Programs. Further, this 31-day Indian Designee Consultation period does not adequately allow us to evaluate the impact of the significant changes being proposed in SPA 18-003.

**DHCS Response:** DHCS released draft SPA language to interested stakeholders on February 22, 2018. The DHCS Tribes and designees of Indian Health programs notice was released on February 23, 2018. DHCS must solicit the advice of designees 35 days prior to submission to Centers for Medicare and Medicaid Services of any state plan amendment, demonstration project or waiver that may have a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009. This process allows Tribes and designees of Indian health programs to provide feedback on the proposal and potential impacts to the population served in each

of the clinics. DHCS appreciates and looks forward to all stakeholder analysis of the changes proposed in SPA 18-003.

6. Where can I e-mail my questions regarding “four walls”?

**DHCS Response:** Questions may be submitted to: [Ralph.Zavala@dhcs.ca.gov](mailto:Ralph.Zavala@dhcs.ca.gov)