



Department of Health Care Services  
**MEMORANDUM**

**DATE:** October 4, 2013

**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

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.

**1115 Bridge to Reform (BTR) Waiver Amendment Tribal Health Program Reimbursement for Uncompensated Care:** DHCS plans to submit a BTR waiver amendment that would permit DHCS to make uncompensated care payments for optional services eliminated from the state plan provided by Indian Health Service (IHS) tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act (ISDEAA) to IHS-eligible Medi-Cal beneficiaries. This proposal is similar to the section 1115 waiver amendment approved by CMS in California in April 2013. Please see the attached summary of the demonstration project for a detailed description.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days of receiving this notice. Comments or feedback may be sent by email or mail to:

**Contact Information:**

Cortney Morgan  
Department of Health Care Services  
Safety Net Financing Division  
1501 Capitol Avenue, MS 4519  
P.O. Box 997436  
Sacramento, CA 95899-7436  
[Cortney.Morgan@dhcs.ca.gov](mailto:Cortney.Morgan@dhcs.ca.gov)

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Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Enclosure

**Department of Health Care Services (DHCS)  
1115 Bridge to Reform (BTR) Waiver Amendment  
Tribal Health Program Reimbursement for Uncompensated Care**

**Background:**

The Centers for Medicare and Medicaid Services (CMS) approved DHCS' Section 1115 Medicaid Demonstration Waiver entitled "California's Bridge to Reform" in November 2010. In April 2013, CMS approved an amendment to the Section 1115 waiver, which allowed the state to:

- 1) make supplemental payments to Indian Health Service (IHS) tribal health programs to account for uncompensated costs of furnishing primary care services to uninsured IHS-eligible individuals with incomes up to 133 percent of the Federal Poverty Level (FPL) who are not enrolled in a Low Income Health Program (LIHP)
  
- 2) make supplemental payments to participating IHS and tribal health programs for the uncompensated costs of furnishing services that were eliminated from the state plan pursuant to state plan amendment 09-001 to IHS-eligible individuals enrolled in the Medi-Cal program and uninsured individuals with incomes up to 133 percent of the FPL who are not enrolled in a LIHP.

The duration of the existing uncompensated care program is from April 5, 2013 through December 31, 2013.

**Description of Waiver Amendment and Effective Date:**

The proposed amendment would permit DHCS to make uncompensated care payments for optional services eliminated from the state plan provided by IHS tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act (ISDEAA) to IHS-eligible Medi-Cal beneficiaries. This proposal is similar to the section 1115 waiver amendment approved by CMS in California in April 2013, described above.

DHCS is requesting that this waiver amendment has an effective date of January 1, 2014 and an end date of December 31, 2014. DHCS would extend its partnership with the California Rural Indian Health Board (CRIHB) to implement this waiver proposal.

CRIHB is a tribal organization contracting under ISDEAA that provides medical assistance as a facility of the IHS through a subcontracting process with five tribal health programs. Additionally the CRIHB serves as the central administrator for the Tribal Medicaid Administrative Activities program through contracts with 17 tribal Health Programs operating in California. CRIHB subcontracts with most of the state's 33 tribal health programs in the Contract Health Service Delivery Area. These tribal health programs would be eligible to participate in the proposed facility payment demonstration project's provider network.

Tribal health program facilities operating under section 813 of the Indian Health Care Improvement Act (IHCIA) would limit the provision of services through this demonstration to IHS-eligible individuals. The proposed demonstration would provide

uncompensated care payments using the IHS encounter rate for optional services eliminated from the state plan, for services provided to IHS-eligible individuals enrolled in the Medi-Cal program. To the extent that an optional service comes to be offered as a Medi-Cal benefit during the duration of this uncompensated care program, it would no longer be eligible for uncompensated care payments under this program.

Through the demonstration, payment would be made for services provided by tribal health programs operating under ISDEAA authority. IHS-eligible individuals receiving care at these facilities would continue to receive acute care hospital and specialty care services as they do now through the IHS health service referral system. Reimbursement for services provided to IHS-eligible individuals will be provided at 100% federal matching assistance percentage.

For all services provided under the demonstration, the CRIHB would utilize a claiming protocol that would be administered by the CRIHB through a third party administrator arrangement with the tribal health providers in the network. The CRIHB network providers would submit certified claims through an encounter-based claiming protocol, which in turn would be rolled up and submitted to the state. The state would reimburse the CRIHB for the claims. Reimbursement would then be remitted to the CRIHB network providers.

#### **Impact to Indian Health Programs and Urban Indian Health Organizations:**

- **Impact on Indian Health Programs**

This waiver amendment may impact participating tribal health programs because it will enable them to be reimbursed for uncompensated care provided to IHS-eligible individuals enrolled in Medi-Cal for optional services eliminated from the state plan.

- **Impact on Indian Medi-Cal Beneficiaries**

Indian Medi-Cal beneficiaries may experience an increase in the volume of services offered at participating tribal health programs.

#### **Response Date:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this notice within 30 days from the receipt of this letter. Comments may be sent by mail or email to the address listed below:

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Department of Health Care Services  
Safety Net Financing Division  
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