



Department of Health Care Services
MEMORANDUM

DATE: July 28, 2014

TO: Tribal Chairpersons, California 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 (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

DHCS 1115 Demonstration Waiver Amendment: Senate Bill 857 (W&I Code Section 14005.225) requires DHCS to obtain federal approval to implement the provisions that expand the full scope Medi-Cal eligibility of pregnant women with income up to and including 138 percent of the Federal Poverty Level (FPL). To accomplish this expansion, DHCS is going to seek an 1115 Waiver Amendment of the Bridge to Reform Waiver to increase the FPL of full scope Medi-Cal for pregnant women to above 109 percent and up to and including 138 percent of the FPL. Please see the enclosed summary of the proposed waiver amendments for a detailed description and contact information for questions or comments.

QUESTIONS AND COMMENTS:

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

Contact Information:

Nathaniel Emery
Clinical Assurance and Administrative Support Division
Department of Health Care Services
1501 Capitol Avenue, MS 4506
P.O. Box 997413
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Nathaniel.Emery@dhcs.ca.gov

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In addition to this notice, DHCS plans to cover this SPA 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

**Medi-Cal Eligibility Division
Department of Health Care Services (DHCS)
1115 Demonstration Waiver Amendments**

Background:

Currently, pregnant women with income up to and including 60 percent of the Federal Poverty Level (FPL) are eligible for full scope Medi-Cal. SB 857 (Chapter 31, Statutes 2014) added Welfare and Institutions (W&I) Code §14005.22 and §14005.225 enacted July 1, 2014, that authorize the expansion of full scope Medi-Cal eligibility to women with incomes up to and including 138 percent of the FPL pending federal approval.

The California Department of Health Care Services (DHCS) submission of State Plan Amendment (SPA) 14-021 increases the income limit for full scope Medi-Cal for pregnant women above 60 percent of the FPL up to and including 109 percent of the FPL.

The expansion of full scope Medi-Cal eligibility to pregnant women with incomes over 109 percent of the FPL, and up to and including 138 percent of the FPL will be implemented using the 1115 Demonstration Waiver Amendment process to amend the Bridge to Reform Waiver. Expanding the FPL income eligibility for full scope Medi-Cal for citizen and lawfully present pregnant women up to and including 138 percent of the FPL will provide eligibility equitable with the other adult coverage groups under the Affordable Care Act.

According to W&I Code §14005.225, to the extent permitted by state and federal law, these beneficiaries would be required to enroll in a Medi-Cal managed care health plan in those counties in which a Medi-Cal managed care health plan is available. Those residing in a county where no Medi-Cal managed care health plan is available shall be provided services under the Medi-Cal fee-for-service delivery system.

DHCS is also seeking approval to offer an affordability and benefits wrap of services for pregnant women with FPL above 138 percent and up to and including 213 percent as authorized by SB 857.

W&I Code §14005.22 and §14005.225(d) requires that the FPL expansion can only be implemented if federal financial participation is available and DHCS receives all necessary federal approvals.

Description of Waiver Amendment and Effective Date:

SB 857 (W&I Code Section 14005.225) requires DHCS to obtain federal approval to implement the provisions that expand the full scope Medi-Cal eligibility of pregnant women with income up to and including 138 percent of the FPL. To accomplish this expansion, DHCS is going to seek an 1115 Waiver Amendment of the Bridge to Reform Waiver to increase the FPL of full scope Medi-Cal for pregnant women to above 109 percent and up to and including 138 percent of the FPL.

The effective date for implementation of this waiver amendment will be the date that federal approval is obtained.

Impact to Indian Health Programs and Urban Indian Organizations:

- **Impact on Indian Health Programs**

DHCS anticipates an impact on Indian health programs regarding this proposal. Although the array of services available to beneficiaries will remain the same, with the increase in the availability of full scope services to more pregnant women, there should be an increase in the number of beneficiaries eligible to receive full scope services through your organizations.

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

DHCS anticipates no change to the eligibility of pregnant women available for Medi-Cal under these programs and organizations. Increasing the FPL up to and including 138 percent of the FPL allows more pregnant women into full scope, Medi-Cal, whereas previously the pregnant woman would have had limited scope Medi-Cal with incomes above 60 percent of the FPL.

Response Date:

Indian Health Programs and Urban Indian Organizations may submit comments or questions concerning the waiver amendment within 30 days from the receipt of this letter. Comments may be sent by e-mail to Nathaniel.Emery@dhcs.ca.gov or by mail to the address listed below:

Department of Health Care Services
Nathaniel Emery
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1501 Capitol Avenue, MS 4506
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