



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** August 21, 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 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 the submission to CMS of any State Plan Amendments, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

**Medi-Cal Managed Care Outpatient Mental Health Service Expansion Waiver Amendment:** Pursuant to Senate Bill (SB) X1 1 (Hernandez, Chapter 4, Statutes 2013), DHCS will be expanding mental health services. DHCS intends to submit a Federal 1115 Waiver amendment to CMS to seek approval to expand outpatient mental health services to beneficiaries receiving Medi-Cal managed care benefits. Please see the enclosed summary of the Medi-Cal Managed Care Outpatient Mental Health Service Expansion Waiver amendment 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 waiver amendment within 30 days from the receipt of this notice. Comments or feedback may be sent by email to [Carrie.Allison@dhcs.ca.gov](mailto:Carrie.Allison@dhcs.ca.gov) or by mail to the address below:

Department of Health Care Services  
Medi-Cal Managed Care Division  
Policy and Contracts Section, MS 4415  
1501 Capitol Avenue, Suite 71-4020  
P.O. Box 997413  
Sacramento, CA 95899-7413  
ATTN: Carrie Allison

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In addition to this notice, DHCS plans to cover this waiver amendment 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 (DHCS)**  
**Medi-Cal Managed Care Division**  
**Medi-Cal Managed Care Outpatient Mental Health Service Expansion Waiver**  
**Amendment**

**Background:**

DHCS administers the Medi-Cal managed care program in accordance with Federal and State law and regulations which includes special protections for American Indians pursuant to the American Recovery and Reinvestment Act of 2009 and State regulations in the California Code of Regulations.

DHCS contracts for health care services through networks of providers organized as managed care systems. The managed care systems are administered by health plans. After Managed Care Expansion is completed, Medi-Cal beneficiaries are expected to receive their health care services through the five models of Medi-Cal managed care, in all 58 California counties, as described below:

1. **County Organized Health Systems (COHS):** In COHS model counties, DHCS contracts with a health plan created by the County Board of Supervisors
2. **Geographic Managed Care (GMC):** In GMC counties, DHCS contracts with several commercial health plans
3. **Two-Plan Model (TPM):** In most TPM counties, there is a "Local Initiative" and a "Commercial Plan (CP)." DHCS contracts with both plans
4. **Regional Model:** Effective November 1, 2013, DHCS will contract with two CPs in some of the State's rural counties
5. **Imperial and San Benito Models:** Effective November 1, 2013, DHCS will contract with one CP in Imperial and San Benito Counties.

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

In accordance with Senate Bill X1 1 (Hernandez, Chapter 4, Statutes of 2013), DHCS will expand mental health services to all Medi-Cal beneficiaries through a Federal 1115 Waiver Amendment, effective January 1, 2014. Outpatient mental health services will be covered when provided by licensed health care professionals acting within the scope of their license.

Mental health services will be expanded to include:

- Individual and group mental health evaluation and treatment (psychotherapy)
- Psychological testing when clinically indicated to evaluate a mental health condition
- Outpatient services for the purposes of monitoring drug therapy
- Outpatient laboratory, drugs, supplies, and supplements
- Psychiatric consultation.

DHCS intends to submit a Federal 1115 Waiver amendment request to the Centers for Medicare and Medicaid Services by October 31, 2013 in order to implement these additional mental health services. DHCS intends to implement the expansion through amendments to the Medi-Cal managed care health plan contracts.

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

**Impact on Indian Health Programs**

Indian health programs may see an increase in Medi-Cal beneficiaries accessing mental health services.

**Impact on Indian Medi-Cal Beneficiaries**

American Indian Medi-Cal beneficiaries will have expanded access to the mental health services listed above in all Medi-Cal delivery settings, including Medi-Cal managed care, without limitations.

**Response Date:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this Waiver amendment within 30 days from the receipt of this letter. Comments may be sent by email to [Carrie.Allison@dhcs.ca.gov](mailto:Carrie.Allison@dhcs.ca.gov) or by mail to the address listed below:

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Medi-Cal Managed Care Division  
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