



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** February 22, 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 requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

**SPA 13-003 Payments to Primary Care Physicians:** DHCS will submit SPA 13-003 to CMS to obtain federal approval for the increased payments to eligible providers for certain primary care services and vaccine administration codes. The Patient Protection and Affordable Care Act (PPACA) as amended by H.R. 4872-24, section 1202, requires DHCS to increase payments for primary care services furnished in 2013 and 2014 by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine. This requirement is as specified in the Federal Register, Volume 77, Number 215, 42 CFR Part 438, 441, and 447. The payment increase is effective for dates of service on or after January 1, 2013, through December 31, 2014. Please see the enclosed summary of SPA 13-003 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 email to [Kathyrn.Waje@dhcs.ca.gov](mailto:Kathyrn.Waje@dhcs.ca.gov) or by mail or to the address below:

Department of Health Care Services  
Utilization Management Division  
1501 Capitol Avenue, MS 4506  
PO Box 997413  
Sacramento, CA 95899-7413  
Attn: Kathyrn Waje

Notice of Proposed Change to the Medi-Cal Program  
Page 2  
February 22, 2013

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

**Department of Health Care Services (DHCS)  
Fee-for-Service Rates Development Division  
State Plan Amendment (SPA) Number: 13-003  
Health Care and Education Reconciliation Act of 2010 (H.R.) 4872-24  
1202 Payments to Primary Care Physicians**

**Background:**

The Patient Protection and Affordable Care Act (PPACA) as amended by H.R. 4872-24, section 1202, requires DHCS to increase payments for primary care services furnished in 2013 and 2014 by a physician with a primary specialty designation of family medicine, general internal medicine, or pediatric medicine. This requirement is as specified in the Federal Register, Volume 77, Number 215, 42 CFR Part 438, 441, and 447.

The H.R. 4872.24, section 1202 payment increase is effective for dates of service on or after January 1, 2013, through December 31, 2014.

**Description of SPA and Effective Date:**

DHCS will submit a SPA to the Centers for Medicare & Medicaid Services on or before March 31, 2013, to obtain federal approval for the increased payments to eligible providers for certain primary care services and vaccine administration codes. The payment increase will be effective for dates of service beginning January 1, 2013, through December 31, 2014.

**Impact on Indian Health Programs or Urban Indian Organizations:**

• **Impact on Indian Health Programs or Urban Indian Organizations**

DHCS does not anticipate that this SPA will have an effect on Indian Health Programs because this SPA does not increase payments for physician services provided by Indian health programs or Federally Qualified Health Centers (FQHC). Indian health programs and FQHCs receive payment for Medi-Cal services provided at a pre-determined per visit rate.

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

This SPA may impact Indian Medi-Cal beneficiaries to the extent that the payment increase would expand the level of certain physician services to Indian Medi-Cal beneficiaries for services rendered outside an Indian health program.

**QUESTIONS AND COMMENTS**

Written comments or questions concerning this SPA may be submitted within 30 days from receipt of this notice. Comments may be sent by e-mail to [Kathyrn.Waje@dhcs.ca.gov](mailto:Kathyrn.Waje@dhcs.ca.gov) or by mail to:

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