



Department of Health Care Services
MEMORANDUM

DATE: February 23, 2015

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, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

State Plan Amendment (SPA) 15-012 Substance Use Disorder Services Expansion and Definition Changes: DHCS plans to submit SPA 15-012 to CMS to seek approval to modify certain substance use disorder (SUD) services to all Medi-Cal beneficiaries. SPA 15-012 seeks to make changes to SUD group counseling size, coverage for additional medication assisted treatments, and the limitations on individual counseling. Please see the enclosed summary of SPA 15-012 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 Marlies.Perez@dhcs.ca.gov or by mail to the address below:

Contact Information

Marlies Perez, Division Chief
Substance Use Disorder Compliance Division (SUDCD)
California Department of Health Care Services
P.O. Box 997413, MS 2600
Sacramento, CA 95899-7413

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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

**Substance Use Disorder Prevention, Treatment
and Recovery Services Division
Department of Health Care Services (DHCS)
Drug Medi-Cal (DMC) Substance Use Disorder (SUD)
State Plan Amendment (SPA) 15-012
Substance Use Disorder Services Expansion and Definition Changes**

Background

Senate Bill (SB) x1-1 allows the expansion of certain SUD services to all Medi-Cal beneficiaries. SB x1-1 added Section 14132.03 to the Welfare and Institutions (W&I) Code which allows DHCS to provide SUD services to more Medi-Cal beneficiaries.

Existing California law requires that the maximum allowable rate for DMC group counseling be set on a per person basis and that a group consist of different numerical ranges based on the type of treatment. Changes to state law and regulations require DHCS to modify the state plan to change the definition of group counseling size for the following DMC services:

- **Outpatient Drug Free (ODF) Services:**
SB 1045 (Beall) Chapter 80, Statutes of 2014, amended W&I Code Section 14021.6 to require ODF group counseling to consist of a minimum of two (2) and a maximum of twelve (12) individuals, at least one of which is a Medi-Cal eligible beneficiary. W&I Code Section 14021.6, as amended, also requires that if one of the people in a two-member group is not eligible for Medi-Cal, the individual who is not eligible for Medi-Cal must be receiving ODF services for SUD diagnosed by a physician.
- **Day Care Habilitative:**
DHCS modified California regulations to implement group counseling size limits of two (2) to twelve (12) persons in Day Care Habilitative (the same type of treatment as Intensive Outpatient Treatment (IOT)) due to program integrity concerns in 2014.
- **Narcotic Treatment Programs (NTP):**
Group counseling size in NTP is currently limited to four to ten people in the current state plan and in regulation.

Additionally, some medication assisted treatments (MAT) are not covered under the DMC program, although many MATs can be available to the Medi-Cal eligible population through Medi-Cal coverage and a treatment authorization request. MATs are a type of SUDS treatment that relies on prescribed medications. For example, buprenorphine is a covered Medi-Cal benefit available with a treatment authorization request. However, it is unavailable under the DMC program for access at DMC certified locations.

Description of SPA and Effective Date

DHCS will submit SPA 15-012 to the Centers for Medicare and Medicaid Services to seek approval for the following definition and coverage changes for DMC services:

1. Change the group counseling size definition to allow for the same capacity for all types of DMC treatment to two (2) to twelve (12) people to create greater continuity across DMC service types such as ODF, IOT, and NTP;
2. Expand coverage of MAT in the DMC program to allow for greater access at DMC treatment program sites; and
3. Allow greater flexibility with the limitations on individual counseling.

Upon approval of the SPA, the effective date will be January 1, 2015. Eligibility for reimbursement for these changes shall begin on this date.

Impact to Indian Health Programs and Urban Indian Organizations

- **Impact on Indian Health Programs**

To the extent that an Indian Health Program is a certified Drug Medi-Cal provider, this SPA will allow any treatment program to increase group counseling size to a minimum of two (2) people and a maximum of twelve (12) people, at least one of which must be a Medi-Cal eligible beneficiary. This SPA will also allow coverage under the DMC program for MAT and enhanced individual counseling options.

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

This SPA will impact American Indian Medi-Cal beneficiaries in DMC treatment programs who receive group counseling as they could be participating in groups consisting of a minimum of two (2) and a maximum of twelve (12) people. It will also impact any American Indian Medi-Cal beneficiaries participating in DMC considered to need additional MAT or individual counseling services under the DMC program as all eligible Medi-Cal beneficiaries will be able to access these expanded benefits at DMC certified locations.

Response Date

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this SPA within 30 days from the receipt of this letter.

Comments may be sent by email to Marlies.Perez@dhcs.ca.gov or by mail to the contact person listed below:

Address and contact person

Marlies Perez, Chief
Substance Use Disorder Compliance Division (SUDCD)
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