



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** June 8, 2018

**TO:** Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

**FROM:** Original Signed By Sandra “Sam” Willburn, Chief,  
Primary, Rural, and Indian Health Division

**SUBJECT:** Expedited 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.

Please see the enclosed summary for a detailed description of this DHCS proposal.

**TELECONFERENCE INFORMATION FOR EXPEDITED NOTICE**

DHCS will also host a teleconference to offer an opportunity to discuss and provide immediate feedback regarding this proposal. **The teleconference will be held Monday, June 18, 2018 from 10:00 a.m. to 11:00 a.m.** To participate in this teleconference dial toll-free, 1-800-369-3117. When asked for a participant passcode please enter 8688516. Please note this SPA is scheduled for submission by June 30, 2018.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this SPA within 5 days from the receipt of notice. Comments may be sent by email to [Nathaniel.emery@dhcs.ca.gov](mailto:Nathaniel.emery@dhcs.ca.gov) or by fax to 916-449-5777.



**Department of Health Care Services (DHCS)  
Tribal and Designees of Indian Health Programs Notice**

**PURPOSE:**

DHCS proposes to submit State Plan Amendment (SPA) 18-0032 to the Centers for Medicare and Medicaid Services for the necessary approvals to authorize Medi-Cal reimbursement for primary care services provided by qualifying “resident” physicians, supervised by a designated teaching physician, in a Federally Qualified Health Center (FQHC) or a Rural Health Clinic (RHC) sponsored graduate medical education (GME) program.

**BACKGROUND:**

Medi-Cal services provided at FQHCs and RHCs are reimbursed on a per visit basis, utilizing the Prospective Payment System (PPS) methodology. A visit is defined as a face-to-face encounter between a patient of a FQHC or RHC and specified health care professionals.

GME programs offer post-graduate training of medical doctors and doctors of osteopathy, referred to as “resident” physicians. Resident physicians have graduated from medical school and typically spend three to seven years in GME training at teaching hospitals and their associated ambulatory settings. Medicare guidelines allow reimbursement for services provided by resident physicians enrolled in a FQHC or RHC sponsored GME program. Medi-Cal, however, does not permit reimbursement to FQHCs or RHCs for services provided by resident physicians in GME programs. Medi-Cal intends to adopt the Medicare GME Teaching Physician and Resident Primary Care Exception guidelines.

**SUMMARY OF PROPOSED CHANGES:**

Medi-Cal intends to reimburse a FQHC or RHC, which sponsors a GME program, for primary care services delivered by a resident physician on a per visit basis. To be reimbursed for these services, the resident physician must have at least six months experience in a FQHC or RHC sponsored GME program and must be supervised by a designated teaching physician. The teaching physician is the billable provider. The requested effective date of this SPA is no later than June 2, 2018.

**IMPACT TO TRIBAL HEALTH PROGRAMS:**

DHCS does not anticipate that SPA 18-0032 will impact Tribal health programs that participate in Medi-Cal as Indian Health Service/Memorandum of Agreement clinics, since these clinics do not currently sponsor GME programs.



**IMPACT TO FQHCs:**

FQHCs may see an increase in beneficiary services provided by qualified resident physicians, if the FQHC decides to sponsor a GME program. Also, a FQHC that sponsors a GME program may be required to submit a Change of Scope of Services Request, to include the cost of a GME resident physician prior to billing for such costs on a per visit basis.

**IMPACT TO INDIAN MEDI-CAL BENEFICIARIES:** There may be an increase in physician services for eligible Indian Medi-Cal beneficiaries, if FQHCs or RHCs decide to sponsor GME programs.

**RESPONSE DATE**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this SPA within 5 days from the receipt of this letter. Comments may be sent by email to [nathaniel.emery@dhcs.ca.gov](mailto:nathaniel.emery@dhcs.ca.gov) or by fax to 916-449-5777. DHCS will also host a teleconference to offer an opportunity to discuss and provide immediate feedback regarding this proposal. The teleconference will be held on Monday, June 18, 2018, from 10:00 a.m. to 11:00 a.m. To participate in this teleconference, dial toll-free, 800-369-3117. When asked for a participant passcode, please enter 8688516. Please note this SPA is scheduled for submission by June 30, 2018.