



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** October 9, 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 request or modification, or proposal for demonstration projects in the Medi-Cal program.

**1115 Bridge to Reform (BTR) Waiver Amendment Tribal Health Program Reimbursement for Uncompensated Care:** DHCS plans to submit a BTR waiver amendment to extend the Tribal Uncompensated Care Waiver Amendment (UCWA). The Tribal UCWA would permit DHCS to continue to make uncompensated care payments for optional services eliminated from the state plan provided by Indian Health Service (IHS) Tribal health programs to IHS-eligible Medi-Cal beneficiaries. The term of the waiver amendment would be January 1, 2015 to October 31, 2015, which corresponds with the end of the current California's BTR Section 1115 waiver. Please see the attached summary of the waiver amendment for a detailed description.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days of receiving this notice. Comments or feedback may be sent by email or mail to:

**Contact Information:**

Cortney Morgan  
Department of Health Care Services  
Safety Net Financing Division  
1501 Capitol Avenue, MS 4519  
P.O. Box 997436  
Sacramento, CA 95899-7436  
[Cortney.Morgan@dhcs.ca.gov](mailto:Cortney.Morgan@dhcs.ca.gov)

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Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Enclosure

**Department of Health Care Services (DHCS)  
1115 Bridge to Reform (BTR) Waiver Amendment  
Tribal Health Program Reimbursement for Uncompensated Care**

**Background:**

The Centers for Medicare and Medicaid Services (CMS) approved DHCS' Section 1115 Medicaid Demonstration Waiver entitled "California's BTR" in November 2010. This demonstration prepared California to implement federal health care reform.

CMS approved an 1115 waiver amendment that allowed the state to make supplemental payments to Indian Health Services (IHS) Tribal health facilities from April 5, 2013 through December 31, 2013. These supplemental payments were to account for the uncompensated costs of furnishing primary care services to 1) uninsured individuals with incomes up to 133 percent of the Federal Poverty Level (FPL) who were not enrolled in a Low Income Health Program and 2) the uncompensated costs of furnishing services that were eliminated from the state plan pursuant to state plan amendment (SPA) 09-001.

In December 2013, CMS approved an extension of the Tribal uncompensated care waiver amendment to allow for coverage of eliminated Medi-Cal optional benefits for IHS eligible Medi-Cal members. The extension term is January 1, 2014 through December 31, 2014.

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

The proposed amendment would permit DHCS to continue making uncompensated care payments for optional services eliminated from the state plan provided by IHS Tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act (ISDEAA) to IHS-eligible Medi-Cal beneficiaries. This proposal seeks to extend the current program authority through the end of the 1115 Demonstration Waiver in October 2015.

Tribal health program facilities operating under section 813 of the Indian Health Care Improvement Act would limit the provision of services through this demonstration to IHS eligible individuals enrolled in the Medi-Cal program. The proposed demonstration would provide uncompensated care payments using the IHS encounter rate for optional services eliminated from the state plan provided to these individuals, which could include services such as chiropractic, optometry, and podiatry. To the extent that an optional service comes to be offered as a Medi-Cal benefit during the duration of this uncompensated care program, it would no longer be eligible for uncompensated care payments under this program. For example, the optional dental benefits that were restored in May 2014 are not eligible for reimbursement under this waiver.

Through the demonstration, payment would be made for services provided by tribal health programs operating under ISDEAA authority. IHS-eligible individuals receiving care at these facilities would continue to receive acute care hospital and specialty care services as they do now through the IHS health service referral system. Reimbursement for services provided to IHS-eligible individuals will be provided at 100% federal matching assistance percent

DHCS is requesting that this waiver amendment have an effective date of January 1, 2015 and an end date of October 31, 2015, which corresponds with the end of the current California's BTR Section 1115 waiver.

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

- **Impact on Indian Health Programs**

This waiver amendment may impact participating Tribal health programs because it will enable them to be reimbursed for uncompensated care provided to IHS-eligible individuals enrolled in Medi-Cal for optional services eliminated from the state plan.

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

Indian Medi-Cal beneficiaries may experience an increase in the volume of primary care services offered at participating Tribal health programs.

**Response Date:**

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

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Department of Health Care Services  
Safety Net Financing Division  
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