



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

December 21, 2020

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

Subject: Notice of Proposed Changes to the Medi-Cal Program In Response to
the COVID-19 Public Health Emergency

The purpose of this letter is to provide information regarding proposed changes to the Department of Health Care Services' (DHCS) Medi-Cal Program, which are needed to address the COVID-19 public health emergency.

Please note that the Centers for Medicare and Medicaid Services (CMS) has provided flexibility that allows states to modify tribal notification timeframes, including conducting consultation after submission of Waivers, Demonstration Projects, and State Plan Amendments (SPA) in order to timely modify Medicaid programs to address the COVID-19 emergency. The modified process provides for notification and opportunity to comment within ten business days of submission to CMS of proposals related to the COVID-19 emergency. This notice meets DHCS' modified notification process.

DHCS has submitted the following proposal to CMS:

- **DHCS Request for Section 1115 Demonstration Authority Related to the COVID-19 Public Health Emergency:** This proposal seeks to provide COVID-19 vaccine administration coverage for Medicaid beneficiaries receiving limited benefit packages. Additionally, the waiver seeks to carve the vaccine benefit out of the managed care program and contracts and provide vaccine administration coverage and payment under the Medi-Cal fee-for-service delivery system. Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS

Tribes, Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 10 days from the receipt of notice. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

Tribal Chairpersons, Designees of Indian Health Programs,
and Urban Indian Organizations

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Angeli Lee

Director's Office Department of Health Care Services

MS 0000

P.O. Box 997413

Sacramento, CA 95899-7413

Please note that Indian Health Programs and Urban Indian Organizations may also request a telephone consultation on these proposals at any time as needed.

Sincerely,

Original signed by Corinne Chavez for

Sandra "Sam" Willburn, Chief

Primary, Rural, and Indian Health Division

Department of Health Care Services

MS 8502

P.O. Box 997413,

Sacramento, CA 95899-7413



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

PURPOSE:

To clarify proposed changes to the Department of Health Care Services (DHCS) Medi-Cal program which are needed to address administration of the COVID-19 vaccine.

BACKGROUND

DHCS submitted to the Centers for Medicare & Medicaid Services (CMS) [a request for a waiver under Section 1115](#) of the Social Security Act on December 18, 2020. CMS has allowed states flexibility on tribal and public notice requirements as a result of the declared public health emergency. Therefore, DHCS is notifying tribes and designees of Indian health programs following the submission of the 1115 waiver proposal in order to ensure CMS can expeditiously review these important COVID-19 vaccine related flexibilities.

SUMMARY OF PROPOSED CHANGES

DHCS requested approval under Section 1115 of the Social Security Act for the flexibilities related to the administration of the COVID-19 vaccine. This submission is made pursuant to [CMS guidance released December 17, 2020](#) (“Coverage and Reimbursement of COVID-19 Vaccines, Vaccine Administration, and Cost Sharing under Medicaid, the Children’s Health Insurance Program, and Basic Health Program”).

In developing this proposal, DHCS prioritized flexibilities geared towards equitable and efficient access to the COVID-19 vaccine. DHCS’ waiver proposal seeks to prevent gaps in COVID-19 vaccine coverage for Medi-Cal beneficiaries with limited benefit packages or in optional coverage groups. The proposed authorities would apply within DHCS’ preexisting Medi-Cal delivery systems and programs approved under the California State Plan and waivers thereof, including the [Medi-Cal 2020 Section 1115 demonstration](#).

Medi-Cal is proposing to reimburse the associated COVID-19 vaccine administration fee at the allowable Medicare rate for providers based on the number of required doses:

- One dose: \$28.39
- Two or more doses: \$16.94 1st dose; \$28.39 2nddose.

Because the initial vaccines are being paid for by the federal government, there will be no provider reimbursement under Medi-Cal for the COVID-19 vaccine itself; however, should this change in the future, DHCS will leverage its existing policy on vaccine administration reimbursements and issue applicable policy guidance. Providers will bill for the COVID-19 vaccine administration on applicable medical or pharmacy claims, based on current policy.

The Section 1115 waiver request includes the following proposals:

- Seeking waiver/flexibility to cover COVID-19 vaccine administration coverage for Medicaid beneficiaries receiving limited benefit packages including:

1. Individuals eligible for tuberculosis-related benefits, as described in Sections 1902(a)(10)(A)(ii)(XII) and 1902(z)(1).
2. Individuals eligible for the optional COVID-19 testing group, as described in Section 1902(a)(10)(A)(ii)(XXIII).
3. Non-citizen individuals eligible for only restricted scope emergency services, as described in Section 1903(v)(2).
4. Individuals eligible for family planning benefits under the Family Planning Access, Care and treatment (Family PACT) program, as described in Sections 1902(a)(10)(A)(ii)(XXI) and 1902(ii).

Impact: Tribal health programs and FQHCs will be able to seek reimbursement for the administration of COVID-19 vaccines provided to Medi-Cal patients whose coverage is limited by statute as well as individuals in optional coverage groups that are diagnosis-specific as listed above. To the extent that an American Indian is in a restricted scope of coverage aid code this proposal may increase access to COVID-19 vaccine services.

If a Tribal health program or FQHC owns and operates a retail pharmacy, this proposal also allows reimbursement for individuals in the optional coverage groups through the pharmacy claiming system.

- Seeking waiver/flexibility to carve the vaccine benefit out of the managed care program and contracts and provide vaccine administration coverage and payment under the Medi-Cal fee-for-service delivery system.

Impact: Tribal health programs and FQHCs will receive reimbursement for vaccine administration through the DHCS Fiscal Intermediary (FI). There will be no need to submit claims separately to the managed care plan for COVID-19 vaccine administration. Carving out the vaccine benefit standardizes how the vaccines are delivered to beneficiaries across delivery systems. The carve out also allows for a consistent reimbursement rate for providers in fee for service and managed care delivery systems.

The requested effective date of the proposed waiver is November 2, 2020. The waiver is subject to approval by CMS.

RESPONSE DATE

Tribes, Indian Health Programs, and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 10 days from the receipt of notice. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

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