



JENNIFER KENT
Director

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



EDMUND G. BROWN JR.
Governor

August 28, 2017

The Honorable Marc Berman
Member of the Assembly
State Capitol, Room 6011
Sacramento, CA 95814

Dear Assembly Member Berman:

ASSEMBLY BILL 1591 (AS AMENDED MARCH 28, 2017) – OPPOSE

The California Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 1591. This bill would add Licensed Professional Clinical Counselors (LPCCs) to the list of health care professionals whose services are reimbursable at Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) through Medi-Cal on a per visit basis.

Unfortunately, we must oppose AB 1591, because the bill continues the piecemeal approach of making changes to the FQHC Prospective Payment System (PPS) that creates significant workload for DHCS while not addressing the fundamental issues with the PPS reimbursement structure.

In order to address issues with the PPS reimbursement structure, DHCS supported Senate Bill (SB) 147 (Hernandez, Chapter 760, Statutes of 2015), which authorizes DHCS to establish an alternative payment methodology (APM) pilot for participating FQHCs and health plans. The APM is a capitated, per member, per month payment in place of a clinic's current per visit PPS rate payment. Currently, the DHCS proposed implementation date for the APM pilot is January 2018. DHCS believes the use of the limited resources available are best focused on implementing and making successful the APM pilot instead of making piecemeal changes to the current system.

Furthermore, nothing prohibits FQHCs from using LPCCs today, and if the FQHC has historically used such providers, those costs are already reflected in their PPS rate.

Lastly, this bill would increase DHCS's workload and demand for resources, since it would require DHCS to process a change of scope of services request (CSOSR) for each clinic that would add a LPCC as a reimbursable provider. DHCS estimates that the CSOSRs would be filed over a two-year period and require significant staff resources

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from both the DHCS Audits and Investigations Division and Office of Administrative Hearings and Appeals.

DHCS efforts should be focused on implementing the capitated payment model, which offers FQHCs and RHCs more flexibility to use LPCCs without having to complete the administrative processes associated with adding them as separately billable providers.

If you have any questions, please contact me at 440-7500.

Sincerely,

Original signed by

Carol Gallegos
Deputy Director
Legislative and Governmental Affairs

cc Members, Senate Appropriations Committee

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bcc: CHHSA Legislative Unit
Department of Finance
Senate Republican Caucus