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## **Medi-Cal Fee-For-Service (FFS) Prior Authorization Section 1135 Waiver Flexibilities Relative to the 2019-Novel Coronavirus (COVID-19)**

June 3, 2020 (*Supersedes April 2, 2020 version*)

On March 16, 2020, March 19, 2020, and April 10, 2020, DHCS submitted requests to waive or modify a number of federal requirements under Section 1135 of the Social Security Act (SSA) (Title 42 United States Code section 1320b-5) to CMS. DHCS' Section 1135 Waiver submission requested various flexibilities as related to the COVID-19 public health emergency (PHE), including temporary flexibility on prior authorization (PA) and medical necessity processes and requirements for particular Medi-Cal benefits in the FFS delivery system during the emergency period.

On March 23, 2020, CMS submitted an approval letter to DHCS summarizing its approval of specific requested Section 1135 Waiver flexibilities. On [May 8, 2020](#), CMS approved additional Section 1135 waiver requests, and also specified that it granted numerous [blanket waivers](#) of Medicare provisions to help healthcare providers combat and contain the spread of COVID-19.

Based on the Section 1135 Waiver approvals, DHCS is issuing the following guidance relative to the temporary suspension of Medi-Cal FFS PA requirements under California's approved Medicaid State Plan (State Plan) for certain benefits, as well as extension of existing PAs, as described in detail below and which will remain through the end of the COVID-19 public health emergency.

### **Prior Authorization (PA) Flexibilities Generally**

Under SSA Section 1135(b)(1)(C), CMS approved DHCS' request to waive or modify the state plan PA requirements and processes for benefits administered through the Medi-Cal FFS delivery system. Specifically, CMS allows for a waiver or a modification of pre-approval requirements to permit services approved to be provided on or after March 1, 2020, to continue to be provided without a requirement for a new or renewed PA through the termination of the COVID-19 PHE, including any extensions (up to the last day of the emergency period under Section 1135(e) of the SSA), for beneficiaries with a permanent residence in the geographic area of the PHE declared by the Secretary

As a result, for all Medi-Cal covered benefit categories covered in the State Plan, which are currently subject to PA, including but not limited to elective hospitalizations and/or procedures, durable medical equipment (DME), magnetic resonance imaging (MRI), hearing aids, laboratory services, speech/occupational/physical therapy services, nonemergency medical transportation, etc., DHCS is temporarily suspending PA requirements. DHCS believes that these temporary PA-related flexibilities are an important step in helping to eliminate unnecessary face-to-face contact, limit Medi-Cal beneficiaries' exposure to others who may be infected with COVID-19, and promote appropriate social distancing, as well as ensuring continued, timely access to covered benefits and services for Medi-Cal beneficiaries.

### **Treatment Authorization Request (TAR) and Service Authorization Request (SAR) Requirement**

For all Medi-Cal covered benefit categories covered in the State Plan, which are currently subject to PA, please note that TARs and SARs are still required; however, providers are instructed to incorporate the statement, "Patient impacted by COVID-19" within the *Miscellaneous Information* field on the TAR and the Freeform Message Text field on the SAR. TARs/SARs with this designation may be submitted after services have been rendered and will be expedited and approved, as appropriate, if the TAR/SAR indicates that the beneficiary is impacted by COVID-19, and the provider will be reimbursed for the claim for the Medi-Cal benefits and services. Providers must still submit supporting documentation to justify the need or medical necessity and maintain documentation of medical necessity in the patient's medical file.

For all TARs that are already authorized, if the provider needs an extension of the "through date" of service, providers are instructed to go into the eTAR system to update the TAR with a change of service requesting an extension period. Providers are instructed to incorporate the statement, "Patient impacted by COVID-19" within the *Miscellaneous Information* field. Similarly, for SARs, providers are instructed to go into the Provider Electronic Data Interchange (PEDI) portal to update the SAR with a change of service requesting an extension period. Providers are instructed to incorporate the statement, "Patient impacted by COVID-19" within the *Freeform Message Text* field.

TARs/SARs with the above designations may be submitted after services have been rendered and will be expedited and approved, as appropriate, if the TAR/SAR indicates that the beneficiary is impacted by COVID-19, and the provider will be reimbursed for the claim for the covered Medi-Cal benefits and services. Providers must still maintain documentation of medical necessity in the patient's medical file and when appropriate, submit supporting documentation to justify the need or medical necessity for the extension.

The need for a TAR/SAR should not negatively affect providing the covered benefit to the beneficiary as the TAR/SAR can be submitted retrospectively. As noted above, providers and suppliers must still provide and maintain documentation indicating the need for the benefit and in the instance of DME, indicate the equipment was lost, destroyed, irreparably damaged or otherwise rendered unusable or unavailable as a result of the COVID-19 emergency.

## Emergency Services

As a reminder, emergency services are exempt from PA requirements, but must be justified according to the following criteria:

- A statement by a physician, podiatrist, dentist, or pharmacist that describes the nature of the emergency, including relevant clinical information about the patient's condition, and statement why the emergency services rendered were considered to be immediately necessary. A mere statement that an emergency existed is not sufficient. A statement by a pharmacist may only pertain to dispensing of drugs.
- DHCS may require providers to follow procedures for retroactive authorization that the medically necessary service needed to be provided on an emergency basis.

## Additional Resources

Any questions regarding this notice may be directed to the Telephone Service Center (TSC) at 1-800-541-5555, Monday through Friday, 8:00 a.m. through 5:00 p.m. except holidays.

For general Medi-Cal information, you can visit the [Medi-Cal website](#), and for COVID-19 specific information, please visit DHCS' [COVID-19 Response webpage](#).

For additional COVID-19 information and resources, providers are encouraged to review the following resources:

- [List of California Department of Public Health \(CDPH\) COVID-19 Guidance Documents](#)
- [Centers for Disease Control and Prevention \(CDC\) COVID-19 response](#)
  - [en Español](#)
  - [中文](#)
- [Follow CDPH Twitter for the latest COVID-19 information](#)