



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



GAVIN NEWSOM  
GOVERNOR

July 8, 2021

The Honorable Anna Caballero  
Member of the Senate  
State Capitol, Room 5052  
Sacramento, CA 95814

Dear Senator Caballero:

**SENATE BILL 365 (AS AMENDED May 24, 2021) – OPPOSE**

The Department of Health Care Services (DHCS) must inform you of its opposition to SB 365, as amended May 24, 2021.

SB 365 seeks to make e-consultation services reimbursable under the Medi-Cal program for enrolled providers, including Federally Qualified Health Centers (FQHCs) or Rural Health Centers (RHCs), and define e-consult services to mean an interaction between two providers.

DHCS recognizes the value of being flexible in the use of telehealth across the health care safety net, however: 1) the definition of e-consult is inconsistent with federal law that explicitly states that reimbursement for visits in FQHCs and RHCs is only permitted between an FQHC and RHC billable provider and a patient, 2) the Centers for Medicare and Medicaid Services (CMS) have confirmed that e-consult services are not separately reimbursable to FQHCs and RHCs because a patient is not included during the encounter, and 3) the cost of physician services, including e-consult services, may already be included in the Prospective Payment System (PPS) rate; billing a separate visit would result in improper Medi-Cal payments for the service.

It is for these reasons that DHCS must oppose SB 365.

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

Sincerely,

O/S Carol Gallegos

Carol Gallegos  
Deputy Director

Honorable Anna Caballero  
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cc: Chair and Members, Assembly Health Committee  
Senate Republican Caucus  
Assembly Republican Caucus  
Assembly Floor Analysis