



JENNIFER KENT
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

August 26, 2019

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

Subject: Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter 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, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 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:

CONTACT INFORMATION

Department of Health Care Services
Director's Office
ATTN: Angeli Lee
MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

Tribal Chairpersons, Designees of Indian Health Programs
And Urban Indian Organizations
Page 2
August 26, 2019

In addition to this notice, DHCS plans to cover this SPA in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Sincerely,

Original Signed By

Sandra Willburn, Chief
Primary, Rural, and Indian Health Division
Department of Health Care Services

Enclosure



Department of Health Care Services Tribal and Designees of Indian Health Programs Notice

PURPOSE

The Department of Health Care Services (DHCS) proposes to submit State Plan Amendments (SPAs) 19-0046 and 19-0047 to the federal Centers for Medicare and Medicaid Services (CMS) to seek necessary approvals to restore certain optional benefits for all populations in all settings.

BACKGROUND

Existing law provides for a schedule of benefits under Medi-Cal, which includes specified outpatient services, including podiatric services, to the extent federal matching funds are provided. Welfare and Institutions (W&I) Code¹ excludes certain optional benefits, including podiatric services, from coverage under Medi-Cal except for beneficiaries who qualify for Early and Periodic Screening, Diagnostic, and Treatment services; pregnant women for the treatment of other conditions that might complicate the pregnancy; and beneficiaries receiving long-term care in a nursing facility that is both a skilled nursing facility or intermediate care facility.

SUMMARY OF PROPOSED CHANGES

Senate Bill (SB) 78² amended the W&I Code to restore certain optional benefits, starting January 1, 2020 through December 31, 2021, unless extended by subsequent legislative action. SPAs 19-0046 and 19-0047 proposes to restore coverage of the following optional benefits for all populations and in all settings:

- Optometric and optician services, including services provided by a fabricating optical laboratory
- Audiology services
- Speech therapy services
- Podiatric services
- Incontinence creams and washes products

Podiatric services have also been available to all beneficiaries in Federally Qualified Health Centers and Rural Health Clinics, pursuant to *California Association of Rural Health Clinics, et al. v. Douglas*.

In addition, if Assembly Bill 678³ (Flora, 2019) is enacted, SPAs 19-0046 and 19-0047 will also remove the monthly two-visit limit for services by podiatrists, effective January 1, 2020. California Code of Regulations, Title 22, Section 51304 (a) limits certain

¹ [Welfare and Institutions Code Section 14131.10](#)

² Senate Bill 78, (Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2019) is available at: http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB78

³ Assembly Bill 678 (Flora, 2019) is available at: http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB678



optional benefits to two services per month, although additional services may be provided based upon medical necessity.

The proposed effective date for SPAs 19-0046 and 19-0047 is January 1, 2020. Pursuant to SB 78, continuation of these benefits beyond December 31, 2021, is dependent upon subsequent legislative action that will include an assessment of the state General Fund for Fiscal Years 2021-22 and 2022-23. SPAs 19-0046 and 19-0047 are subject to approval by CMS.

IMPACT TO TRIBAL HEALTH PROGRAMS

To the extent that Tribal Health Programs provide these optional benefits, an increase in beneficiaries accessing the services is expected. Optometric and optician services, audiology services, speech therapy services, podiatric services, and incontinence creams and washes products will no longer be reimbursed under the Medi-Cal 2020 Tribal Uncompensated Care Waiver (TUCW). The services will not be billable under TUCW because they will be covered as a Medi-Cal benefit under the State Plan. Claims for these services will no longer be processed through the DHCS subcontractor, the California Rural Indian Health Board, Inc. after December 31, 2019. Rather, payment for these services will be reimbursed through the managed care plans or Medi-Cal Fee-For-Services as applicable.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

Except for podiatrist services, to the extent that FQHCs provide the other optional benefits, an increase in beneficiaries accessing the services is expected.

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

Medi-Cal beneficiaries may have increased access to these restored optional benefits, which is expected to improve health outcomes for beneficiaries receiving these services.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 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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