



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:

Medicaid Disaster Relief for the COVID-19 National Emergency (SPA 20-0040) DHCS submitted State Plan Amendment (SPA) 20-0040 to request to add coverage for COVID-19 vaccine administration to Medi-Cal beneficiaries, and establish Medicare reimbursement rates for the COVID-19 vaccine administration for all providers when furnished within their scope of practice in accordance with California state law, including Federally Qualified Health Centers and Indian Health Service Memorandum of Agreement providers. 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:

Primary, Rural, and Indian Health Division, MS Code 8502
P.O. Box Number 997413, Sacramento, CA 95899-7413
(916) 449-5770

Internet Address: <http://www.DHCS.ca.gov>

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 reimbursement of administration fees for the COVID-19 vaccine.

BACKGROUND

DHCS submitted [State Plan Amendment \(SPA\) 20-0040](#) to the Centers for Medicare & Medicaid Services (CMS) on December 18, 2020, to request flexibilities related to reimbursement of COVID-19 vaccine administration fees. CMS has allowed states flexibility with respect to 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 this proposed SPA in order to ensure CMS can expeditiously review these important COVID-19 vaccine related flexibilities that impact the current State Plan.

DHCS has also requested approval to deliver the COVID-19 vaccine benefit and reimburse for administration to all covered Medi-Cal populations exclusively through the Medi-Cal fee-for-service (FFS) delivery system, and carve out the COVID-19 vaccine from all Medi-Cal managed care contracts via the accompanying 1115 waiver request that was also submitted to CMS on December 18, 2020. The waiver proposal will standardize how the vaccines are delivered to beneficiaries and ensure a consistent reimbursement rate across delivery systems. In addition, this will eliminate concerns about managed care plans reimbursing non-network providers.

SUMMARY OF PROPOSED CHANGES

DHCS requested approval of SPA 20-0040 to allow Medi-Cal providers to be reimbursed for administration fees associated with 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”).

Under this proposal, DHCS seeks to add coverage for COVID-19 vaccines administration to Medi-Cal beneficiaries, and establish Medicare reimbursement rates for the COVID-19 vaccine administration for all providers when furnished within their scope of practice in accordance with California state law, including Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Service-Memorandum of Agreement (IHS-MOA) providers.

Specifically the SPA proposes to:

Payment

- Reimburse the associated COVID-19 vaccine administration fee at the allowable Medicare rate for providers based on the number of required doses through a modification to published fee schedules as follows:
 - One dose: \$28.39
 - Two or more doses: \$16.94 1st dose; \$28.39 2nd dose.

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. 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.

Impact: To the extent that a FQHC/RHC/IHS-MOA owns or operates a retail pharmacy, they would be eligible to receive the higher administration fee rates as described above. However, reimbursement for FQHC/RHC/IHS-MOA providers is subject to CMS approval of this SPA as described below.

Other Payment Provisions

- Reimbursement for COVID-19 vaccine administration for FQHC/RHC/IHS-MOA providers will be exempt from methodologies listed in State Plan Attachment 4.19-B and will be reimbursement based on the fee schedule established by this SPA. Under this proposal, FQHC/RHC/IHS-MOA providers would be able to receive the vaccine administration fee outside of the Prospective Payment System (PPS) or All-Inclusive Rate (AIR).

Impact: This proposal may provide increased access to COVID-19 vaccines for Medi-Cal beneficiaries who seek services at a FQHC/RHC/IHS-MOA facility. Reimbursement for COVID-19 vaccine will not impact the annual DHCS reconciliation process.

The proposed effective date of this SPA is November 2, 2020.

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:

Department of Health Care Services
Director's Office
ATTN: Angeli Lee
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P.O. Box 997413
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State Plan Amendment (SPA) 20-0040