



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



GAVIN NEWSOM
GOVERNOR

August 26, 2021

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 (SPA), 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

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and Urban Indian Organizations

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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 Andrea Zubiato for

Sandra "Sam" Willburn, Chief
Office of Tribal Affairs
Department of Health Care Services

Enclosure



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

PURPOSE

To seek necessary approvals to add Medication Therapy Management (MTM) in the Alternative Benefit Plan (ABP) as a covered service under the Medi-Cal program.

BACKGROUND

SPA 21-0063 is the corresponding ABP update to SPA 21-0028, which grants the authority to provide MTM reimbursement as an added pharmacist service to any pharmacy provider who is willing to participate by agreeing to the designated terms of the program and signing a contract with DHCS. This contract would require pharmacy providers to perform/provide specific “specialty” services and drugs and would allow reimbursement for the costs and activities associated with dispensing specialty drugs to Medi-Cal beneficiaries. DHCS will establish and maintain a list of covered specialty drug categories for which MTM services reimbursement is available. DHCS will also publish protocols and utilization controls permitted for MTM services, as well as establish reimbursement rates for the MTM services provided. For purposes of implementing MTM services, DHCS may enter into contracts with enrolled pharmacy providers as authorized in WIC, Section 14105.3.¹

SUMMARY OF PROPOSED CHANGES

SPA 21-0063 is the corresponding ABP update to SPA 21-0028, which DHCS submitted to CMS on June 30, 2021. SPA 21-0063 will update the ABP to align with the MTM SPA 21-0028 granting the authority to pharmacy providers contracted with DHCS to provide MTM reimbursement as an added pharmacist service.

IMPACT TO TRIBAL HEALTH PROGRAMS

- MTM is not reimbursable at the federal all-inclusive rate (AIR). Tribal health programs that operate a retail pharmacy separately enrolled in Medi-Cal may request to contract with DHCS to become a specialty pharmacy and provide MTM services. Reimbursement would be under a separate fee schedule, subject to federal approval.
- DHCS will issue provider notifications regarding the process for becoming a contracted specialty pharmacy upon approval of SPA 21-0028.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

- The proposed SPA may require a change in scope of services by FQHCs to include MTM services within the FQHC’s Prospective Payment System (PPS) rate. When included in a FQHC’s PPS rate, MTM services are not separately billable by the FQHC.
- If the services were not included in the FQHC’s PPS rate calculation, MTM would be a benefit as defined in the California State Plan for a separately enrolled retail pharmacy provider at the FQHC location if the pharmacy provider signs a contract with DHCS to become a speciality pharmacy. Reimbursement would be under a separate fee schedule.
- DHCS will issue provider notifications regarding the process for becoming a contracted specialty pharmacy upon approval of SPA 21-0028.

¹[California Code, Welfare and Institutions Code - WIC § 14105.3 | FindLaw](#)

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

The addition of MTM as a covered benefit will provide multiple benefits to American Indian Medi-Cal beneficiaries. This includes beneficiaries who take specialty medications, are on multiple medications including over-the-counter, herbal, or dietary supplements, or who have multiple health conditions. DHCS anticipates that these benefits will include increased access to specialty drugs; reduced preventable medication-related problems, emergency room visits, and hospitalizations; and improved medication adherence and patient health.

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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