



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



GAVIN NEWSOM
GOVERNOR

February 5, 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 Danielle.Cooper@dhcs.ca.gov or by mail to the address below:

Contact Information

Danielle Cooper, HPS II
Health Care Financing
California Department of Health Care Services
1501 Capitol Avenue, Suite 71.6016, MS 4050
Sacramento, CA 95814-5005

Tribal Chairpersons, Designees of Indian Health Programs,
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Page 2

February 5, 2021

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

Enclosure



**Department of Health Care Services (DHCS)
Tribal and Designees of Indian Health Programs Notice**

PURPOSE

To seek federal approval to provide a time-limited supplemental payment program for qualifying non-hospital 340B community clinics.

BACKGROUND

[Assembly Bill 80 \(Chapter 12, Statutes of 2020\)](#) authorizes DHCS to implement a payment methodology to provide supplemental payments to qualifying non-hospital 340B community clinics to strengthen and support the community clinic and health center delivery system for Medi-Cal beneficiaries. The supplemental payments will support clinics who apply and certify that they are providing additional levels of engagement to integrate and coordinate health care to manage beneficiary health complexities.

SUMMARY OF PROPOSED CHANGES

The supplemental payments for qualifying non-hospital 340B community clinics will be based on:

1. An estimated total pool amount of \$26,250,000 divided by the number of visits provided from April 1, 2021 to June 30, 2021; and
2. An estimated total pool amount of \$105,000,000 divided by the number of visits provided from July 1, 2021 to June 30, 2022.

The supplemental payment amounts will be in addition to any other amounts payable to clinic or health center providers with respect to those services.

Qualifying non-hospital clinics are those actively enrolled as a Medi-Cal clinic provider that is a 340B covered entity pursuant to Section 256b of Title 42 of the United States Code and:

- Licensed under subdivision (a) of Section 1204 of the Health and Safety Code with less than twenty (20%) private pay patients according to Office of Statewide Health Planning and Development 2019 utilization; or
- Licensed under subdivision (a) of Section 1204 that operate in a designated HRSA rural area; or
- Exempt from licensure under subdivision (b) of Section 1206 of the Health and Safety Code.

In addition, the clinic must actively provide at least three of the services below. Finally, the clinic must submit an application demonstrating compliance with these requirements.

Services:

- a. Pharmacy
 - i. Medication management;
 - ii. Clinical pharmacy services;
 - iii. Immunizations/ vaccines;
 - iv. Improving medication compliance;
 - v. Opioid remediation;



- vi. Patient Assistance Program (especially for patients with Emergency Medi-Cal and prescriptions are not covered)
- b. Patient support services
 - i. Case management;
 - ii. Hard to recruit specialties such as Orthopedics, Urology, Gastroenterology;
 - iii. Care coordination;
 - iv. Disease-state programs, such as Infectious Disease, HIV/AIDS;
 - v. Health education

IMPACT TO TRIBAL HEALTH PROGRAMS

Eligible Tribal health programs will be required to submit an application to demonstrate the clinic is eligible to receive supplemental payments. DHCS anticipates that Tribal health programs that qualify for supplemental payments under this proposal would be able to provide services that integrate, coordinate, and manage health care for Medi-Cal beneficiaries. The supplemental payments will not impact Tribal health programs annual reconciliations.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

FQHCs will be required to submit an application to demonstrate the clinic is eligible to receive supplemental payments. DHCS anticipates that FQHCs that qualify for supplemental payments under this proposal would be able to provide services that integrate, coordinate, and manage health care for Medi-Cal beneficiaries. The supplemental payments will not impact FQHC annual reconciliations.

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

DHCS anticipates this proposal may increase access to services provided to American Indian beneficiaries.

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 Danielle.Cooper@dhcs.ca.gov or by mail to the address below:

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