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Director

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



ARNOLD SCHWARZENEGGER
Governor

Date: June 11, 2009

MMCD All Plan Letter 09-009

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: INDIAN HEALTH SERVICES

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009, an economic stimulus package, which requires certain changes in the Medicaid program. Two of the changes required by the ARRA of 2009 pertain to access to Medi-Cal covered services for Indians and reimbursement to Indian Health Programs.

Section 5006 of Title V of the ARRA of 2009 (42 USC 1396o(a)), prohibits the imposition of enrollment fees, premiums, and cost sharing provisions such as deductibles and co-payments upon Indian enrollees who receive Medi-Cal covered services directly through an Indian Health Program (or an Indian Tribe, Tribal Organization, or Urban Indian Organization) or by referral to an Indian Health Program from a contracted managed care plan.

Under Section 5006 of Title V of the ARRA of 2009 (42 USC 1396u-2(h)), non-Indian Medi-Cal managed care plans are required to make payments to participating and non-participating Indian health care providers for services provided to eligible Indian enrollees at a rate equal to the rate negotiated between the managed care plan and the Indian health care provider. If such a rate has not been negotiated, the payment is to be made at a rate that is not less than what would have otherwise been paid to a participating provider who is not an Indian health care provider.

Additionally, for eligible Indian enrollees, Section 5006 requires Medi-Cal managed care plans to pay any Indian health care provider that is a Federally Qualified Health Center (FQHC), but is not a plan provider, at a rate equal to that which the health plan would pay any non-Indian FQHC in the plan's provider network. Medi-Cal managed care plans are also required to pay any Indian health care provider that is not a FQHC, whether in the managed care plan's network or out-of-plan's network, no less than the managed care plan would pay a non-Indian provider that is not a FQHC.

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The Department of Health Care Services (DHCS) has determined that Medi-Cal managed care contracts need to be amended to comply with Section 5006 of the ARRA of 2009. Medi-Cal managed care plans will be required to be in compliance with Section 5006 as of July 1, 2009.

DHCS and the California Medical Assistance Commission will be providing managed care plans with contract amendments as soon as possible.

If you have any questions regarding the information in this letter, please contact your Contract Manager.

Sincerely,

Original signed by Stuart Busby

Stuart Busby, Chief
Policy and Financial Management Branch