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

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DIRECTOR

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DATE: May 12, 2021

ALL PLAN LETTER 21-008

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS

SUBJECT: TRIBAL FEDERALLY QUALIFIED HEALTH CENTER PROVIDERS

PURPOSE:
The purpose of this All Plan Letter (APL) is to provide Medi-Cal managed care health plans (MCPs) with information regarding the implementation of the Tribal Federally Qualified Health Center (Tribal FQHC) provider type in Medi-Cal with an effective date of January 1, 2021. This APL also provides guidance regarding reimbursement requirements for Tribal FQHC provider types.

BACKGROUND:
The Centers for Medicare and Medicaid Services (CMS) allows Indian Health Care Providers (IHCP) operating under the authority of the Tribal Indian Self-Determination and Education Assistance Act to participate in Medi-Cal as one of several clinic provider types, including but not limited to:[1]

- Indian Health Services Memorandum of Agreement (IHS-MOA) clinic;
- FQHC (using Health Resources Services Administration criteria);
- Tribal FQHC (using CMS criteria); and
- Community clinic.

California must assure that IHCPs are reimbursed in accordance with federal law.[2] The rules for each specific provider type, including payment rates, covered services, billable providers, allowances for the number of reimbursable visits per day, and service sites are set forth in California's Medicaid State Plan. IHCP may operate as only one of the provider types listed above. For instance, IHCPs cannot be both an IHS-MOA and a Tribal FQHC.

[1] See 25 United States Code (U.S.C.) Chapter 46 (Public Law 93-638). The U.S.C. is searchable at the following link: https://uscode.house.gov/browse.xhtml.
[2] See 42 U.S.C. section 1396u-2(h)(2)(C) and 42 Code of Federal Regulations (C.F.R.) section 438.14(c). 42 C.F.R. 438.14(c) is available at: https://www.ecfr.gov/cgi-bin/text-idx?SID=4f517849d06685b38053c59d244f961a&mc=true&node=pt42.4.438&rgn=div5.

CMS recognizes the Tribal FQHC as a new clinic provider type with corresponding service site parameters. IHCPs participating in Medi-Cal as IHS-MOA provider types may elect to enroll as a Tribal FQHC in accordance with State Plan Amendment (SPA) 20-0044, which sets forth the reimbursement methodology for Tribal FQHCs.[3,4]

POLICY:
Effective January 1, 2021, MCPs are required to make payments to Tribal FQHC providers for eligible services provided on or after the implementation date, in accordance with the Alternate Payment Methodology (APM) and reimbursement requirements described below.[5] MCP contracts with Tribal FQHCs must include all covered and eligible services available at the Tribal FQHC with the exception of dental services, which are not managed care reimbursable services. MCPs may not limit their contracts to a specific set of those services. MCPs are reminded of their obligations to attempt to contract with IHCPs, to comply with prompt payment requirements, and the allowance for non-contracted Tribal FQHC provider access, where applicable.

Alternate Payment Methodology
MCPs must reimburse IHCPs that are currently enrolled as IHS-MOA clinic providers that elect to participate in Medi-Cal as Tribal FQHCs utilizing an APM.

Where the APM applies, MCPs must pay Tribal FQHC providers as follows for each visit:

1) For Medi-Cal beneficiaries with full Medicare coverage or Medicare Part B only, irrespective of Medicare Part D coverage, the required payment is the difference between the "APM Rate (Excluding Medicare)" and 80 percent of the Medicare FQHC prospective payment system rate.[6]

2) For Medi-Cal beneficiaries that do not have Medicare Coverage or have Medicare Part A only, irrespective of Medicare Part D coverage, the required payment is the "APM Rate (Excluding Medicare)".[7]

[3] SPA 20-0044 can be accessed at the following link: https://www.dhcs.ca.gov/Documents/SPA-20-0044-Approval.pdf
[4] See Attachment 2 for a list of IHCPs that are enrolled in Medi-Cal as Tribal FQHCs. Attachment 2 will be added to this APL at a later date.
[5] See Attachment 1 for applicable APM.
[6] See 42 U.S.C. § 1395w-4(e)(6)(A)(ii).
[7] See Attachment 1 for the specific Non-Dual rate.

Tribal FQHCs must be reimbursed at the applicable rate for up to three visits per day in any combination of different visits in the following visit categories: medical, mental health, and ambulatory. For example, Tribal FQHCs can be reimbursed for:

- A combination of three (3) different medical visits with a primary care physician, nurse practitioner, and a specialist;
- A combination of three (3) different mental health visits with a psychiatrist, psychologist, and a licensed clinical social worker;
- A combination of three (3) different ambulatory visits for audiology, physical therapy, and optometry services.

The visit categories, service types, and billable providers that are allowed reimbursement at the APM are further detailed in the Medi-Cal Provider Manual.[8] To the extent that the Medi-Cal Provider Manual conflicts with this APL, the requirements of this APL shall apply.

Alternate Payment Methodology Exclusions

Please note that certain MCP covered services will continue to be reimbursed outside the APM, including Non-Medical Transportation, Non-Emergency Medical Transportation, and Pharmacy.

This policy does not require MCPs to provide services that are carved-out of the MCP's contract with DHCS. For example, MCPs will not be responsible for reimbursing Tribal FQHCs for dental services not otherwise covered by the MCP contract.

Tribal FQHC providers must follow DHCS' FQHC established billing practices for services outside the MCP's responsibility.[9]

Reimbursement Requirements

In order for Tribal FQHCs to be eligible for APM reimbursement by MCPs pursuant to this APL, services must be covered benefits under the MCP's contract with DHCS and must not exceed the allowable limit of up to three (3) visits per day, per member, in any combination of medical, mental health, and ambulatory visits. Services provided offsite by Tribal providers and non-Tribal providers that are contractors of the Tribal FQHC are reimbursable in accordance with the APM.

APM rates will be effective for a calendar year, and may have a retroactive effective date. Therefore, MCPs are required to pay the most current applicable payments as described

[8] See the Medi-Cal Provider Manual. A link to the Medi-Cal Provider Manual will be added to this APL at a later date.
[9] For guidance, see the Medi-Cal Provider Manual. A link to the Medi-Cal Provider Manual will be added to this APL at a later date.

in this APL during the calendar year for which the rate applies and as an interim rate in a subsequent calendar year if an updated APM has not been published.[10] MCPs must ensure that interim payments are reconciled to the applicable updated rate for that calendar year in accordance with contractual prompt payment requirements. MCPs will receive reimbursement for services paid to Tribal FQHCs through the submission of the Consolidated Supplemental File.[11]

If the requirements contained in this APL, including any updates or revisions to this APL, necessitate a change in an MCP's policies and procedures (P&Ps), the MCP must submit its updated P&Ps to its Managed Care Operations Division (MCOD) contract manager within 90 days of the release of this APL. If an MCP determines that no changes to its P&Ps are necessary, the MCP must submit an e-mail confirmation to its MCOD contract manager within 90 days of the release of this APL, stating that the MCP's P&Ps have been reviewed and no changes are necessary. The e-mail confirmation must include the title of this APL as well as the applicable APL release date in the subject line.

MCPs are responsible for ensuring that their subcontractors and network providers comply with all applicable state and federal laws and regulations, contract requirements, and other DHCS guidance, including APLs and Policy Letters.[12] These requirements must be communicated by each MCP to all subcontractors and network providers.

If you have any questions regarding this APL, please contact your MCOD Contract Manager.

Sincerely,

Original signed by Nathan Nau

Nathan Nau, Chief
Managed Care Quality and Monitoring Division

[10] See Attachment 1 for current applicable payments.
[11] Submission of the Consolidated Supplemental File is similar to the MCP payment process established under APL 17-020.
[12] For more information on Subcontractors and Network Providers, including the definition and requirements applicable, see APL 19-001, and any subsequent APLs on this topic. APLs are available at: https://www.dhcs.ca.gov/formsandpubs/Pages/AllPlanLetters.aspx