



August 26, 2025

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

Contact Information

Department of Health Care Services
Fee-For-Service Rate Development Division
1501 Capitol Avenue
P.O. Box 997417, MS 4600
Sacramento, California 95899-7417

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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 request a consultation on this proposal at any time as needed.

Sincerely,

Original signed by

Andrea Zubiarte, Chief
Office of Tribal Affairs
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 establish Medi-Cal Fee-For-Service (FFS) Fee Schedule rates for Behavioral Health Treatment (BHT) services effective for dates of services on or after July 1, 2025.

BACKGROUND

Historically, Medi-Cal FFS members under age 21 received BHT services from their local Regional Centers, which were overseen by the Department of Developmental Services (DDS) and reimbursed by DHCS through an interagency agreement. Effective July 1, 2025, Medi-Cal FFS members under age 21 will have the option to receive BHT services from enrolled Medi-Cal Qualified Autism Service (QAS) providers in addition to their local Regional Centers, expanding access to care for this vulnerable population. Medi-Cal QAS providers may enroll by submitting an electronic application through the Provider Application and Validation for Enrollment (PAVE) online enrollment portal, allowing them to bill Medi-Cal services directly to DHCS.

In accordance with [California Welfare and Institutions Code \(WIC\) section 14105.05](#) and the [California Medicaid State Plan \(Page 1a of Attachment 4.19-B\)](#), DHCS will establish Medi-Cal FFS reimbursement rates for BHT services based on an evaluation of several data sources potentially including, but not limited to:

- Medi-Cal Managed Care Plan payments
- Current DDS rates
- Medicare rates for similar services
- California commercial rate estimates
- Other data sources and public input

SUMMARY OF PROPOSED CHANGES

SPA 25-0028 is seeking federal authority to establish Medi-Cal FFS Fee Schedule rates for Behavioral Health Treatment (BHT) services effective July 1, 2025. The annual aggregate Medi-Cal expenditures as a result of this SPA will be budget neutral, as Medi-Cal FFS members are currently eligible to receive BHT services through an interagency agreement with DDS.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

THPs delivering services outlined above will be eligible to bill BHT services contingent on federal approval.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

FQHCs providing BHT services will be reimbursed at their regular Prospective Payment System rates, if provided by an eligible billable provider.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

Indian Medi-Cal beneficiaries may have increased access to these benefits, which is expected to improve health outcomes for those receiving services.

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

CONTACT INFORMATION

Department of Health Care Services
Director's Office
Attn: Angeli Lee, SPA 25-0028
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413