



MICHELLE BAASS
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

January 28, 2022

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 10 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

Angeli Lee
Director's Office
Department of Health Care Services
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P.O. Box 997413
Sacramento, CA 95899-7413

Tribal Chairpersons, Designees of Indian Health Programs,
and Urban Indian Organizations

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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, Acting 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 federal approval to provide coverage for COVID-19 tests, counseling-only visits for COVID-19 vaccines for children and adults, counseling-only visits for non-COVID 19 pediatric vaccines, and reimbursement for eligible pharmacies administering COVID-19 tests.

BACKGROUND

DHCS submitted a disaster State Plan Amendment (SPA) 22-0004 to the Centers for Medicare & Medicaid Services (CMS) on January 14, 2022. The SPA requests coverage for the following tests and counseling services for Medi-Cal beneficiaries:

- COVID-19 at home rapid antigen test kits.
- COVID-19 tests performed by pharmacies with a Clinical Laboratory Improvement Amendments (CLIA) Certificate of Waiver.
- Counseling-only visits for children and adults for COVID-19 vaccines.
- Counseling-only visits for non-COVID 19 pediatric vaccines for children under 21 years of age.

DHCS is notifying Tribes and designees of Indian health programs following the submission of SPA 22-0004 in order to ensure CMS can expeditiously review these important COVID-19 updates. CMS has provided flexibility that allows states to modify tribal notification time frames, including conducting notifications after submission of SPAs in order to timely modify Medicaid programs to address the COVID-19 public health emergency. The modified process provides for notification and opportunity to comment within ten business days of submission to CMS. This notice meets these guidelines.

SUMMARY OF PROPOSED CHANGES

As required by Section 9811 of the American Rescue Plan Act¹ (ARP), DHCS seeks to add FDA-authorized COVID-19 diagnostic and screening test kits, including “point of care” and “home” test kits, and their administration, without cost sharing. The effective date proposed for home rapid antigen test kits is March 11, 2021. For at-home rapid antigen test kits provided by pharmacies on or after February 1, 2022, DHCS will establish a Maximum Allowable Product Cost (MAPC) and will pay the MAPC plus 23 percent markup. At-home tests are limited to eight tests per month per beneficiary and require a prescription by a licensed provider. DHCS will not reimburse providers for test kits obtained at no cost. For at-home rapid antigen test kits purchased between March 11, 2021, and January 31, 2022, DHCS will reimburse beneficiaries the retail costs with a receipt through the Conlan process². Beneficiaries will not be required to show proof of a prescription for reimbursement through the Conlan process.

DHCS seeks to add pediatric vaccine counseling-only visits for COVID-19 and non-COVID-19 vaccines for children under 21 years of age as a benefit of Early and Periodic Screening, Diagnostic, and Treatment³. The SPA also proposes coverage of

¹ American Rescue Plan Act is available at <https://www.congress.gov/bill/117th-congress/house-bill/1319>

² Conlan process is available at https://www.dhcs.ca.gov/services/medi-cal/Pages/Medi-Cal_Conlan.aspx

³ As authorized by Section 9811 of the American Rescue Plan Act available at <https://www.congress.gov/bill/117th-congress/house-bill/1319>

COVID-19 vaccine counseling-only visits for adults when covered within the scope of practice of the provider, paid at the all-inclusive rate (AIR) or Prospective Payment System (PPS) rate when provided by a billable provider. As proposed, counseling-only visits cannot be combined with vaccine administration or another billable service. The effective date for counseling-only visits is December 2, 2021.

Additionally, DHCS seeks to reimburse pharmacies that have a CLIA Certificate of Waiver when they perform COVID-19 tests, effective February 1, 2022. Reimbursement will be at the Medicare rate.

IMPACT TO TRIBAL HEALTH PROGRAMS

Tribal Health Programs with retail pharmacies will be able to bill for at-home test kits as a pharmacy benefit when billed as a medical supply. Tribal Health Programs with retail pharmacies that have a CLIA Certificate of Waiver will be able to receive reimbursement for COVID-19 testing at the Medicare rate. Counseling-only visits will be reimbursed at the AIR when provided by a physician, physician assistant, nurse practitioner, certified nurse-midwife, or visiting nurse.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

FQHCs with retail pharmacies will be able to bill for at-home test kits as a pharmacy benefit when billed as a medical supply. FQHCs with a retail pharmacies that have a CLIA Certificate of Waiver will be able to receive reimbursement for COVID-19 testing at the Medicare rate. Counseling-only visits will be reimbursed at the PPS rate when provided by a physician, physician assistant, nurse practitioner, certified nurse-midwife, or visiting nurse.

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

Medi-Cal beneficiaries may have increased access to COVID-19 at-home test kits and counseling-only visits for COVID-19 vaccinations for children and adults and counseling-only visits for pediatric vaccinations. This increased access is expected to improve health outcomes for beneficiaries receiving these benefits and services. Beneficiaries who purchased an at-home COVID test kit between March 11, 2021, and January 31, 2022, may be reimbursed their retail costs with a receipt by going through the Conlan process². Beneficiaries will not be required to show proof of a prescription for reimbursement through the Conlan process.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 10 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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