

March 21, 2025

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

Subject: Addendum to Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter is to provide an update to the Tribal Notice for State Plan Amendment (SPA) 25-0008, released on February 20, 2025. The enclosed update provides information regarding the Centers for Medicare and Medicaid Services (CMS) preprint released on March 10, 2025.

**QUESTIONS AND COMMENTS**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 14 days from the receipt of notice. Comments may be sent by email to [Andrea.Zubiate@dhcs.ca.gov](mailto:Andrea.Zubiate@dhcs.ca.gov) or by mail to the address below:

**Contact Information**

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Office of Tribal Affairs  
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Sincerely,

Original signed by

Andrea Zubiate, 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 Addendum**

### **PURPOSE**

The purpose of this addendum is to inform Tribal Chairpersons and Designees of Indian Health Programs and Urban Indian Organizations of changes to proposed State Plan Amendment (SPA) 25-0008 following the release of further CMS guidance on March 10, 2025.

### **BACKGROUND**

As previously communicated in the [Tribal and Designees notice released on February 20, 2025](#), DHCS is seeking federal approval of SPA 25-0008 to eliminate the “four walls” limitation for Indian Health Services-Memorandum of Agreement (IHS-MOA) providers and to change the title of psychological assistants to psychological associates to align with changes authorized by [Senate Bill \(SB\) 801](#)<sup>1</sup>.

The Centers for Medicare & Medicaid Services (CMS) published Final Rule (FR) [CMS-1809-FC](#),<sup>2</sup> which amended the Medicaid clinic services regulation<sup>3</sup> to authorize Medicaid coverage for clinic services furnished by Indian Health Services (IHS) and Tribal clinics outside the “four walls” of their facility. FR CMS-1809-FC also gives states the option to cover clinic services furnished outside the “four walls” of behavioral health clinics or clinics located in rural areas, subject to circumstances outlined in the final rule and the CMS preprint.<sup>4</sup>

DHCS’ initial Tribal notice addressed only the IHS and Tribal “four walls” limitations. However, the corresponding CMS preprint released on March 10, 2025, allows states to also address the exceptions described above. A CMS preprint is a template provided to states for the purpose of making changes to a State Plan. States are required to use the preprint as issued by CMS.

### **SUMMARY OF PROPOSED CHANGES**

In addition to removal of the “four walls” limitations for IHS and Tribal clinics, DHCS may seek federal approval to waive the “four walls” requirements for behavioral health, rural, and renal dialysis clinics. Any proposed changes would be addressed using the CMS preprint discussed above.

### **IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)**

To the extent that Tribal health programs operate behavioral health, rural, or renal dialysis clinics any further proposed changes to the State Plan would allow for services to be provided outside the “four walls” of these facility types.

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<sup>1</sup> California. Senate Bill No. 801. 2021. Statutes of California, Chapter 647.

<sup>2</sup> United States Government Publishing Office. Federal Register, vol. 89, no. 227, 27 Nov. 2024.

<sup>3</sup> See, [Code of Federal Regulations, Title 42, Section 440.90\(c\)](#).

<sup>4</sup> See, [Code of Federal Regulations, Title 42, Section 440.90\(d\)-\(e\)](#).

**IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)**

To the extent that FQHCs operate behavioral health or renal dialysis clinics any further proposed changes in the State Plan would allow for services to be provided outside the “four walls” of these facility types.

**IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS**

DHCS does not anticipate an impact to American Indian Medi-Cal members as a result of this proposal, but it may provide members with alternative locations to seek Medi-Cal covered services.

**RESPONSE DATE**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 14 days from the receipt of this notice. Comments may be sent by email to [Andrea.Zubiate@dhcs.ca.gov](mailto:Andrea.Zubiate@dhcs.ca.gov) or by mail to the address below:

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