

October 7, 2024

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 American 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 Amendments (SPAs), waiver requests or amendments, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of the proposed State Plan Amendment to the Alternative Benefit Plan (ABP).

### **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 [Angeli.Lee@dhcs.ca.gov](mailto:Angeli.Lee@dhcs.ca.gov) or by mail to the address below:

### **CONTACT INFORMATION**

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Director's Office  
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and Urban Indian Organizations

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Please note that Tribes, Indian Health Programs, and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Sincerely,

Original Signed by

Andrea Zubiato, 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 from the Centers for Medicare and Medicaid Services (CMS) to:

1. Add Supported Employment as a covered service under the Alternative Benefit Plan (ABP); and
2. Add additional eligibility groups to the ABP to ensure all Medi-Cal members who meet clinical criteria for Supported Employment have access to the service through the Specialty Mental Health Services (SMHS) program, Drug Medi-Cal (DMC) program and/or the Drug Medi-Cal Organized Delivery System (DMC-ODS).

**BACKGROUND**

As part of the BH-CONNECT initiative, DHCS submitted an application for a new [Medicaid Section 1115 demonstration](#) and is pursuing SPA changes to increase access to and improve availability of behavioral health services for Medi-Cal members. BH-CONNECT builds on California's commitment to creating a full continuum of care for mental health and substance use disorder (SUD) treatment, with a special focus on the populations most at risk. More information about BH-CONNECT can be found at <https://www.dhcs.ca.gov/CalAIM/Pages/BH-CONNECT.aspx>.

**SUMMARY OF PROPOSED CHANGES**

This SPA proposes to add Supported Employment as a covered Medi-Cal service for eligible members. Supported Employment is a community and team-based service that helps individuals with behavioral health conditions to lead functional and productive lives in the community. Supported Employment assists individuals with acquiring and/or maintaining competitive employment to support recovery from their behavioral health condition.

County behavioral health programs will have the option to implement Supported Employment as a SMHS, DMC and/or DMC-ODS service. SMHS, DMC and DMC-ODS services support members living with serious mental health conditions and SUDs. To be eligible for Supported Employment, a member must meet access criteria for SMHS, defined in BHIN [21-073](#); access criteria for DMC services, defined in BHIN [21-071](#); and/or access criteria for DMC-ODS services, defined in BHIN [24-001](#).

The SPA also seeks to extend the ABP to all full Medi-Cal eligibility groups to ensure that members who meet access criteria for SMHS, DMC and/or DMC-ODS services in participating programs and meet clinical criteria for Supported Employment have access to the service.

The proposed effective date of this SPA is January 1, 2025.

**IMPACT TO TRIBAL HEALTH PROGRAMS (THPS)**

As described in Behavioral Health Information Notices (BHINs) [22-020](#), [23-027](#), [22-053](#), THPs may be reimbursed for providing covered SMHS and DMC/DMC-ODS services for eligible members, including Supported Employment. Provision of Supported Employment can help ensure community-based care is available for Medi-Cal members with behavioral health conditions.

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

Pursuant to Welfare and Institutions (W&I) Code section 14132.100 (l) and (m) FQHCs must be contracted with the Mental Health Plan (MHP) in their county to deliver SMHS and DMC-ODS Supported Employment services prior to furnishing any services. Furthermore, FQHC costs associated with SMHS and DMC-ODS Supported Employment services, including personnel costs, may not be included in the PPS rate. Proposed SPA #24-0051 will not make SMHS and DMC-ODS personnel billable PPS practitioners.

FQHCs that provide covered SMHS and DMC/DMC-ODS services may have expanded capacity to serve eligible members receiving Supported Employment.

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

American Indian Medi-Cal members may have increased access to Supported Employment services, which is expected to improve health outcomes for those who are able to access them.

**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 [Angeli.Lee@dhcs.ca.gov](mailto:Angeli.Lee@dhcs.ca.gov) or by mail to the address below:

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