



February 21, 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. Comment may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Director's Office
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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 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 to align the Alternate Benefit Plan (ABP) with the updates made by State Plan Amendments (SPA) 24-0003, 24-0031, 24-0042, 24-0052, 25-0006, 25-0009, and 25-0014.

BACKGROUND

DHCS proposes to update the ABP section of the State Plan to reflect updates made by the following SPAs:

- **SPA 24-0003** proposes to add Psychiatric Residential Treatment Facilities (PRTFs) as a setting where inpatient psychiatric services to beneficiaries under 22 years of age can be provided. DHCS submitted SPA 24-0003 to the Centers for Medicare and Medicaid Services (CMS) on March 29, 2024.
- **SPA 24-0031** proposes to make clarifying and technical edits to behavioral health treatment (BHT) services. DHCS submitted SPA 24-0031 to CMS on September 23, 2024.
- **SPA 24-0042** added expand the continuum of Community-Based Services and Evidence-Based Practices available through Medi-Cal Specialty Behavioral Health Delivery Systems. CMS approved SPA 24-0042 on December 19, 2024.
- **SPA 24-0052** added Enhanced Community Health Worker (CHW) services, including Enhanced Community Health Representative services, as tailored preventive services to Medi-Cal members with significant behavioral health needs. CMS approved SPA 24-0052 on December 13, 2024.
- **SPA 25-0006** will provide eligible juveniles (under 21 years of age and former foster children ages up to age 26 years) who are post adjudication in a public institution certain screenings and diagnostic services in the 30-days prior to scheduled release, and targeted case management (TCM) in the 30 days leading up to their release and for 30 days after release from a public institution.
- **SPA 25-0009** (previously known as SPA 24-0018) proposes to add psychological associates as a prospective payment system (PPS) billable practitioner type for Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Tribal FQHCs. DHCS will submit SPA 25-0009 to CMS by March 31, 2025.
- **SPA 25-0014** (previously known as SPA 24-0032) proposes to add certified wellness coach (CWC) services as a preventative service. DHCS will submit SPA 25-0014 to CMS by March 31, 2025.

SUMMARY OF PROPOSED CHANGES

SPA 25-0007 aligns the ABP with updates made by the above-mentioned SPAs. The proposed effective date for the ABP SPA 25-0007 is January 1, 2025. This ABP SPA is subject to approval by CMS.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

- **SPA 24-0003** - THPs may be able to make referrals for Medi-Cal members to receive inpatient psychiatric services in PRTFs. DHCS anticipates Medi-Cal members that

receive referrals will be able to better access these services, likely improving their health outcomes.

- **SPA 24-0031**- Tribal and urban Indian health programs do not provide BHT services, so DHCS does not believe there will be an impact to THPs.
- **SPA 24-0042** - THPs may be reimbursed by county MHPs for providing covered specialty mental health services (SMHS) for eligible Medi-Cal members. The changes enable THPs that provide covered SMHS and Drug Medi-Cal/Drug Medi-Cal-Organized Delivery System (DMC/DMC-ODS) services to expand capacity to serve eligible members seeking treatment for co-occurring mental health conditions and substance use disorders (SUDs).
- **SPA 24-0052** - THPs may be reimbursed for providing Enhanced CHW services as a preventive service under the SMHS, Drug Medi-Cal (DMC), and/or DMC-ODS delivery systems for eligible Medi-Cal members. Provision of Enhanced CHW services by THPs can help ensure community-based care is available for Medi-Cal members with mental health conditions and substance use disorders.
- **SPA 25-0006** - To the extent that Tribal Health Programs participate in justice involved services and provide screening and diagnostic services, and TCM to eligible individuals, those Medi-Cal members may access services more frequently.
- **SPA 25-0009** - The proposed changes may improve access to behavioral health services by providing THPs that participate in Medi-Cal as a Tribal FQHC with more flexibility in the types of specialized behavioral health practitioners that may receive reimbursement at the Tribal FQHC APM which is set at the all-inclusive rate (AIR) or at the PPS rate. THP that participate in Medi-Cal as Indian Health Services-Memorandum of Agreement providers already have the ability to be reimbursed at the AIR for services provided by psychological associates.
- **SPA 25-0014** - THPs may use CWCs to provide services, but CWCs are not considered THP billable providers. Therefore, CWC services are not considered billable encounters and will not be eligible for reimbursement at the federal AIR. Reimbursement for CWC services will be available at fee-for-service (FFS) rates outside of the Office of Management and Budget Indian Services per visit rate for Tribal 638 clinic providers. To the extent that THPs provide CWC services, an increase in Medi-Cal members that access the services within THPs may occur.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

- **SPA 24-0003** - FQHCs may be able to make referrals for Medi-Cal members to receive inpatient psychiatric services in PRTFs. DHCS anticipates members that receive referrals will be able to better access these services, likely improving their health outcomes.
- **SPA 24-0031** - Urban Indian health programs do not provide BHT services, so DHCS does not believe there will be an impact to FQHCs.
- **SPA 24-0042** - County MHPs are responsible for reimbursing the fee-for-service (FFS) rate to contracted FQHCs for Assertive Community Treatment (ACT), Coordinated Specialty Care (CSC), and Clubhouse Services. These services can

help ensure community-based care is available for members with mental health conditions. Similarly, an FQHC provider contracted with the county mental health plans may elect to add an alcohol and drug counselor as a practitioner type under Rehabilitative Mental Health Services, and a FQHC provider contracted to provide DMC or DMC-ODS services may add an Other Qualified Provider as a practitioner type. The SPA did not make Alcohol and Drug Counselors or Other Qualified Providers billable PPS practitioners, and these services are reimbursed at the FFS rate. The SPA enabled FQHCs that provide covered SMHS and DMC/DMC-ODS services to expand capacity to serve eligible members seeking treatment for co-occurring mental health conditions and substance use disorders.

- **SPA 24-0052** - FQHCs must be contracted with their county to deliver SMHS and DMC-ODS services prior to furnishing any services. Furthermore, for SMHS, DMC, and DMC-ODS Enhanced CHW (CHR) Services, the CHW personnel must be carved out of the Prospective Payment System (PPS) rate. The proposed SPA changes will not make SMHS and DMC/DMC- ODS Enhanced CHWs (CHRs) billable PPS practitioners. Counties will be responsible for reimbursing these services at fee-for-service (FFS) rates to FQHC providers.
- **SPA 25-0006** - To the extent that FQHCs provide screening and diagnostic services, and TCM for eligible juveniles, those Medi-Cal members may access services more frequently.
- **SPA 25-0009** - The proposed changes may positively impact access to behavioral health services by providing FQHCs more flexibility in the types of specialized behavioral health practitioners that may receive PPS.
- **SPA 25-0014** - Under the APM for CWCs, FQHCs may elect to receive a supplemental reimbursement equal to the established Medi-Cal FFS rate when CWC services are provided on the same or a different day as a PPS eligible visit.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

- **SPA 24-0003** - DHCS anticipates this proposed SPA will increase access to inpatient psychiatric services for American Indian Medi-Cal members under the age of 21, as it will allow for the provision of the “psych under 21” benefit in an additional setting that is not a hospital.
- **SPA 24-0031** - This proposed SPA clarifies existing DHCS policy and does not change coverage policies. Therefore, DHCS does not believe there will be an impact to American Indian Medi-Cal members.
- **SPA 24-0042** - American Indian Medi-Cal members may have increased access to ACT, CSC and Clubhouse Services, which are expected to improve health outcomes for members with mental health conditions. American Indian Medi-Cal members with co-occurring mental health conditions and SUDs may also have additional practitioner options to help address their treatment needs.
- **SPA 24-0052** - American Indian Medi-Cal members may have increased access to Enhanced CHW services, which are expected to improve health outcomes for those who are able to access them.

- **SPA 25-0006** - Eligible juveniles may have increased access to these benefits, which is expected to improve health outcomes.
- **SPA 25-0009** - DHCS anticipates a positive impact to Indian Medi-Cal members because adding psychological associates will likely increase access to behavioral health services.
- **SPA 25-0014** - Medi-Cal members may have increased access to this benefit, which is expected to improve health outcomes for members receiving these 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 the notice. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

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