

February 20, 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 Andrea.Zubiate@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Office of Tribal Affairs
ATTN: Andrea Zubiate
MS 8502
P.O. Box 997413
Sacramento, CA 95899-7413
TribalAffairs@dhcs.ca.gov

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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 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

The purpose of this State Plan Amendment (SPA) is to seek federal approval to:

1. Eliminate the “four walls” limitation for Indian Health Services-Memorandum of Agreement (IHS-MOA) providers.
2. Make a technical correction to update psychological assistants to psychological associates to align with recent state law changes.

BACKGROUND

The Centers for Medicare & Medicaid Services (CMS) Final Rule (FR) [CMS-1809-FC](#)¹ allows Medicaid to cover clinic services outside of the “four walls” of the IHS-MOA facility.

Previously, CMS interpreted section 1905(a)(9) of the Social Security Act in its regulation at 42 CFR 440.90 that “clinic services” do not include services furnished outside of the “four walls” of the clinic, except if the services are furnished by clinic personnel to a homeless individual. During the Public Health Emergency (PHE), CMS provided a grace period for the “four walls” limitation policy for services provided outside of the clinic facility. CMS has released this FR to permanently allow services to be provided outside of the clinic’s “four walls”.

In addition, [Senate Bill \(SB\) 801](#)², enacted on January 1, 2022, renamed psychological assistant to psychological associate.

SUMMARY OF PROPOSED CHANGES

DHCS is seeking federal approval of SPA 25-0008 to eliminate the “four walls” limitation for IHS-MOA providers, effective January 1, 2025. To implement this change, DHCS is proposing to revise the definition of a visit and visiting nurse services by removing language in the State Plan that pertains to providing services in the tribal facility. This SPA also seeks to update the title of psychological assistants to psychological associates to align with the changes authorized by SB 801.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

These proposed changes will impact IHS-MOA providers by allowing for them to bill for covered services by a billable health professional outside of the clinic’s “four walls”. There is no impact to Tribal Federally Qualified Health Centers (Tribal FQHCs) as the “four walls” limitation is not applicable to Tribal FQHCs. DHCS believes there is no impact to IHS-MOAs

¹ United States Government Publishing Office. Federal Register, vol. 89, no. 227, 27 Nov. 2024.

² California. Senate Bill No. 801. 2021. Statutes of California, Chapter 647.

as a result of change from psychological assistant to associate because it is a technical change that will allow this provider type to continue to bill for behavioral health services under the license of a clinical psychologist. Please note proposed SPA 25-0009 will be submitted to CMS to allow psychological associates to be reimbursable as Tribal FQHC providers under the license of clinical psychologist by March 31, 2025.

IMPACT TO FQHCs

DHCS does not anticipate an impact to FQHCs because the CMS FR does not change existing DHCS policies for FQHCs. Please note proposed SPA 25-0009 will be submitted to CMS to allow psychological associates to be reimbursable as FQHC providers under the license of clinical psychologist by March 31, 2025.

IMPACT TO AMERICAN INDIAN MEDICAL MEMBERS

DHCS does not anticipate an impact to American Indian Medi-Cal members because members will continue to have access to covered services at a THP.

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

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