Tribal and Designee Medi-Cal Advisory Process Webinar on Proposed Changes to the Medi-Cal Program

August 26, 2026

DHCS
CALIFORNIA DEPARTMENT OF
HEALTH CARE SERVICES

Welcome and Webinar Logistics

- Everyone will be automatically muted upon entry
- Use the Q&A or Chat feature to submit comments or questions
- Please use the Chat feature for any technical issues related to the webinar

Feedback Guidance for Participants

- **Q&A or Chat Box.** Please feel free to utilize either option to submit feedback or questions during the meeting.
- **Spoken.**
  - Please use the Teams chat function to raise your hand. Once your hand is recognized by the event organizer, unmute your line to speak. DHCS will take comments or questions first from Tribal leaders and then all others in the room and on the webinar.
- **If you logged on via phone-only.** Press "*5" to raise or lower hand. Press "*6" on your phone to unmute your line once recognized by the event organizer.

Agenda

- Welcome and Purpose
- Overview of State Plan and State Plan Amendments (SPAs)
- Items Scheduled for Submission to CMS by September 30, 2026
  - 26-0029 Uniform Dollar Increases for Specified Services
- Items Scheduled for Submission to CMS by June 30, 2026
  - 26-0032 High Fidelity Wraparound
    - *Presented in this webinar because the Tribal Notice was released after the Quarter 2 webinar.*
- Closing and Feedback

Purpose

- The Department of Health Care Services (DHCS) is hosting this webinar regarding proposed changes to the Medi-Cal Program. This webinar will provide information and allow for feedback on State Plan Amendments (SPA) and Waiver Renewals/Amendments proposed for submission to Centers for Medicare and Medicaid Services (CMS).
- Background: Executive Orders recognize the unique relationship of Tribes with the federal government and emphasize the importance of States to work with Tribes on matters that may impact Indian health.
- This webinar is one way for DHCS to provide information about the Medi-Cal program and get feedback verbally and in writing.

Medicaid State Plan Overview

- State Plan: The official contract between the state and federal government by which a state ensures compliance with federal Medicaid requirements to be eligible for federal funding.
- The State Plan describes the nature and scope of Medicaid and gives assurance that it will be administered in accordance with the specific requirements of Title XIX of the Federal Social Security Act, Code of Federal Regulations, Chapter IV, and State law/regulations.
- California's State Plan is over 1600 pages and can be accessed online at: https://www.dhcs.ca.gov/formsandpubs/laws/Pages/CaliforniStatePlan.aspx

State Plan Amendment (SPA) Overview

- SPA: Any formal change to the State Plan.
- Approved State Plans and SPAs ensure the availability of federal funding for the state's program (Medi-Cal).
- The CMS reviews all State Plans and SPAs for compliance with:
  - Federal Medicaid statutes and regulations
  - State Medicaid manual
  - Most current State Medicaid Directors' Letters, which serve as policy guidance.

SPA 26-0029
Uniform Dollar Increases for Specified Services

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Background

- Assembly Bill (AB) 119 (Chapter 13 , Statutes of 2023) authorized a Managed Care Organization (MCO) Provider Tax, effective April 1, 2023, through December 31, 2026. Subject to federal approval, MCO tax revenues will be used to support the Medi-Cal program including, but not limited to, new targeted provider rate increases and other investments that advance access, quality, and equity for Medi-Cal members and promote provider participation in the Medi-Cal program.
- California voters approved Proposition 35 at the November 5, 2024, General Election, making permanent the MCO Tax, subject to continued federal approval, and dedicating the resulting revenues to specified Medi-Cal program purposes beginning in 2025.

Purpose

- To implement time-limited supplemental payments for Primary and Specialty Care services, effective for dates of service on or after July 1, 2026, through December 31, 2026.

Summary of Proposed Changes

- DHCS proposes to implement supplemental payments for qualifying primary and specialty care services.
  - Payments will apply to designated CPT and HCPCS codes
- Supplemental payment amounts will be fixed and issued on a per-claim basis for the specified procedure codes.
- Supplemental payments will be provided in addition to standard Medi-Cal base reimbursement rates.

Summary of Proposed Changes (Cont.)

- Services eligible for the rate increase:
  - Evaluation & management for office visits
  - Obstetric care services
  - Non-specialty mental health services
  - Vaccine administration
  - Other procedure codes commonly utilized by primary care and specialists

Summary of Proposed Changes (Cont.)

- Providers eligible for the rate increase:
  - Primary or Specialty Care Service Codes identified as evaluation & management for office visits; vaccine administration; and other procedure codes commonly utilized by primary care, specialists and emergency department physicians billed using Health Insurance Claim Form (CMS-1500) are eligible for the reimbursement methodology established only when rendered by the following types of eligible providers:
    - Physicians, Physician Assistants, Nurse Practitioners, Podiatrists, Certified Nurse Midwives, Licensed Midwives, Doula Providers, Psychologists, Licensed Professional Clinical Counselors, Licensed Clinical Social Workers, Marriage and Family Therapists, and Pupil Personnel Services (PPS) credentialed practitioners which include; Credentialed School Counselors, Credentialed School Psychologists, and Credentialed School Social Workers.

Impact to Tribal Health Programs

- When paid at the Fee-For-Service rate outside of the All-Inclusive Rate (AIR), Tribal Health Programs (THPs) will be able to receive the Primary and Specialty Care supplemental payments as previously described for those services, including doula services, contingent on federal approval.

Impact to Federally Qualified Health Centers (FQHCs)

- FQHCs that are reimbursed through a Prospective Payment System (PPS) rate are not eligible to receive the Primary and Specialty Care supplemental payments. As a result, DHCS does not anticipate an impact to FQHCs.

Impact to American Indian Medi-Cal Members

- American Indian Medi-Cal members may have increased access to these benefits which is expected to improve health outcomes for those receiving services.

Resources

- **Primary and Specialty Care Supplemental Payment SPA Public Notice**

SPA 26-0029 Public Notice

- **Primary and Specialty Code List Webpage:**

Medi-Cal Proposition 35 Primary and Specialty Code List | DHCS

Contact Information

- **Email to:**

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- **Mail to:**

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Feedback/Questions

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SPA 26-0032
High Fidelity Wraparound

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Background

- High Fidelity Wraparound (HFW) is a way of planning care for and supporting children and youth who have emotional and behavioral needs that are difficult to meet. DHCS currently pays counties that use HFW a single fee for each service provided, like case management. DHCS currently pays bundled rates for other programs such as Assertive Community Treatment and multisystemic Therapy programs.

Purpose

- To seek federal approval to allow DHCS to pay counties a monthly bundled rate for High Fidelity Wraparound services provided to children and youth enrolled in Medi-Cal.

Summary of Proposed Changes

- This SPA proposes to allow DHCS to pay counties a monthly bundled rate when it uses HFW to plan care for and support children and youth who have emotional and behavioral needs that are difficult to meet if a service included in the HFW program is provided to the same member on at least one separate day in a month. The bundle of services includes targeted case management services and rehabilitative mental health services. The state will establish county-based bundled rates for HFW on an annual basis based on labor costs, inflation, and overhead. The proposed effective date for this SPA is July 1, 2026.

Impact to Tribal Health Programs

- Counties will remain responsible to reimburse THPs as described in Behavioral Health Information Notice (BHIN) 22-020 when the THP is using High Fidelity Wraparound to plan care for and to provide support to a child or youth.
- Counties must pay THPs for services provided to AI/AN members whether or not the THP is contracted with the county. Counties are only required to pay THPs for services provided to non-AI/AN members if the THP is contracted with the county.

Impact to Tribal Health Programs (Cont.)

- Counties must pay the Federal All-Inclusive Rate (AIR) when the service meets the face-to-face requirement, and the service is provided by one of the health professionals identified in Supplement 6 to Attachment 4.19-B of California's Medi-Cal State Plan.
- Counties must pay THPs the monthly bundled rate when the service does not meet the face-to-face requirement or the service is not provided by one of the health professionals identified in Supplement 6 to Attachment 4.19-B of California's Medi-Cal State Plan.

Impact to Federally Qualified Health Centers (FQHCs)

- There is no impact to FQHCs, including Urban Indian Organizations (UIO), as counties will remain responsible to pay for Specialty Mental Health Services (SMHS), at the Fee-For-Service rate, in accordance with existing state law. Consequently, FQHCs, including UIOs, are not eligible to receive the Prospective Payment System rate for SMHS because these services are required to be carved out. However, when an FQHC is contracted with the County or Mental Health Plan (MHP), the FQHC is eligible to receive reimbursement for SMHS if it has elected to carve out these services.

Impact to American Indian Medi-Cal Members

- DHCS anticipates no impact to American Indian Medi-Cal member as a result of this SPA. American Indian Medi-Cal members remain eligible to access SMHS through an Indian Health Care Provider network. This SPA does not change member access, provider choice, or covered benefits for American Indian Medi-Cal members.

Contact Information

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Feedback/Questions

DHCS

Thank You

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