

## DEPARTMENT OF HEALTH CARE SERVICES

### NOTICE OF GENERAL PUBLIC INTEREST AND REQUEST FOR PUBLIC INPUT ON STATE PLAN AMENDMENT 21-0015 WHICH PROPOSES A SUPPLEMENTAL PAYMENT FOR NON-HOSPITAL 340B CLINICS

This notice provides information of public interest that the Department of Health Care Services (DHCS) will submit State Plan Amendment (SPA) 21-0015 to provide a time-limited supplemental payment program for qualifying non-hospital 340B community clinics. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning proposed SPA 21-0015, which is attached below.

AB 80 (Chapter 12, Statutes of 2020) authorizes DHCS to implement a payment methodology to provide for supplemental payments to qualifying non-hospital 340B community clinics to secure, strengthen, and support the community clinic and health center delivery system for Medi-Cal beneficiaries. The supplemental payments will support clinics who apply and certify that they are providing additional level of engagement to integrate, coordinate health care and manage the array of beneficiary health complexities.

The supplemental payments for qualifying non-hospital 340B community clinics will be based on an estimated total pool amount of \$26,250,000 divided by the number of visits provided from April 1, 2021 to June 30, 2021. The supplemental payments will be based on an estimated total pool amount of \$105,000,000 divided by the number of visits provided from July 1, 2021 to June 30, 2022. The calculations will be based on a per visit basis. The supplemental payment amounts will be in addition to any other amounts payable to clinic or center providers with respect to those services. The supplemental payments will not impact FQHC or RHC reconciliation of their PPS rate.

Upon federal approval of the SPA, DHCS will make supplemental payments for qualifying non-hospital 340B community clinic visits for the April 1, 2021 to June 30, 2021 and July 1, 2021 to June 30, 2022, in accordance with the provisions of AB 80. The effective date of the proposed SPA is April 1, 2021. All proposed SPAs are subject to approval by CMS.

DHCS projects the overall budgetary impact of the proposed supplemental payments to result in an aggregate expenditure increase of approximately \$131 Million in total funds.

#### Public Review and Comments

The proposed changes included in draft SPA 21-0015 are attached to this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

Upon submission to CMS, a copy of proposed SPA 21-0015 will be published at: <https://www.dhcs.ca.gov/formsandpubs/laws/Pages/PendingStatePlanAmendments.aspx>

If you would like to view the SPA 21-0015 in person once it becomes available, please visit your local county welfare department. You may also request a copy of the proposed SPA from the mailing address or e-mail address below.

Any written comments may be sent to: Department of Health Care Services, Health Care Financing, 1501 Capitol Avenue, MS 4050, Sacramento, California 95899-7417, or may be emailed to [Publicinput@dhcs.ca.gov](mailto:Publicinput@dhcs.ca.gov). Please indicate SPA 21-0015 in the subject line or message.

A copy of submitted public comments related to SPA 21-0015 may be requested in writing to the mailing address or e-mail inbox identified above.

To be assured consideration prior to submission of the SPA to CMS, comments must be received no later than March 7, 2021. Please note that comments will continue to be accepted after March 7, 2021, but DHCS may not be able to consider those comments prior to the initial submission of SPA 21-0015 to CMS.

Release date: February 5, 2021

## **SUPPLEMENTAL PAYMENT FOR NON-HOSPITAL 340B CLINICS**

### **A. Amendment Scope and Authority**

This amendment authorizes implementation and a payment methodology to provide supplemental payments to qualifying non-hospital 340B community clinics to secure, strengthen, and support the community clinic and health center delivery system for Medi-Cal beneficiaries. The supplemental payments will support eligible clinics that certify they are providing an additional level of engagement to integrate and coordinate health care services and manage the array of beneficiary health complexities. The supplemental payments will be available to eligible providers for services provided for dates of service from April 1, 2021–June 30, 2021 (program period 1) and July 1, 2021–June 30, 2022 (program period 2).

### **B. Eligible non-hospital 340B Centers or Clinics**

1. Non-hospital 340B centers or clinics eligible for the supplemental payment under this amendment are non-hospital 340B centers or clinics that meet the following conditions:
  - i. Actively enrolled as a Medi-Cal clinic provider including community clinics, Federally Qualified Health Centers, and Rural Health Clinics.
    1. Licensed under subdivision (a) of Section 1204 of the Health and Safety Code with less than twenty percent (20%) private pay patients according to Office of Statewide Health Planning and Development 2019 utilization or licensed under subdivision (a) of Section 1204 that operate in a designated HRSA rural area or a clinic operated by a city, county, city and county, or hospital authority that is exempt from licensure under subdivision (b) of Section 1206 of the Health and Safety Code.
  - ii. A 340B covered entity pursuant to Section 256b of Title 42 of the United States Code for the entire duration of each applicable program period.
  - iii. Actively providing at least three of the following services under (a) or (b):
    - a. Pharmacy
      - i. Medication management;
      - ii. Clinical pharmacy services;
      - iii. Immunizations/ vaccines;
      - iv. Improving medication compliance;
      - v. Opioid remediation;
      - vi. Patient Assistance Program (especially for patients with Emergency Medi-Cal and prescriptions are not covered)
    - b. Patient support services
      - i. Case management;

- ii. Hard to recruit specialties such as Orthopedics, Urology, Gastroenterology;
  - iii. Care coordination;
  - iv. Disease -state programs, such as Infectious Disease, HIV/AIDS;
  - v. Health education
- iv. Submit an application to DHCS demonstrating compliance with items (i) through (iii) of this section.

### C. Supplemental Payment Methodology

1. Eligible clinic or center providers will be paid interim supplemental payments for services as set forth in this section. The supplemental payment amounts will be in addition to any other amounts payable to clinic or center providers with respect to those services. The supplemental payments will not impact FQHC or RHC reconciliation of their PPS rate. FQHCs and RHCS will not put their PPS payment at risk by failing to qualify for the supplemental incentive payment.
2. The supplemental payments will be paid per-visit for visits provided by eligible centers or clinics during the program period.
3. The final per-visit supplemental payments will be calculated based on a total pool amount of \$26,250,000 divided by the number of visits provided with dates of service from April 1, 2021 to June 30, 2021. The supplemental payments will be based on a total pool amount of \$105,000,000 divided by the number of visits provided with dates of service from July 1, 2021 to June 30, 2022.
  - i. An Interim rate determined by dividing the pool amount by historical visits for eligible clinics or centers trended by 5% will be paid during the program period on a per-visit basis.
    1. For community clinics, payment will be based on code XXXXX
    2. For FQHCs or RHCs, payment will be based on code 521 T1015 SE
    3. For Indian Health Services and Tribal 638 Health Facilities, payment will be based on code 520 T1015.
  - ii. The final per-visit rate will be calculated no sooner than 90 days after the end of the program period based on actual visits for eligible clinics or centers during the applicable program period. The department will use the best available data as of 90 days after the end of the program period. No later than 180 days after the end of the program period, the department will complete a reconciliation of interim to final supplemental payment amount.