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DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



GAVIN NEWSOM  
GOVERNOR

July 15, 2022

To: Tribal Chairpersons, Designees of Indian Health Programs,  
and Urban Indian Organizations

Subject: Addendum to Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter is to provide an update to the Tribal Notice for State Plan Amendment (SPA) 22-0001, released on February 18, 2022. The enclosed update provides information regarding a change in the reimbursement of community health worker services in Indian Health Services Memorandum of Agreement 638 Clinics and Tribal Federally Qualified Health Centers.

**QUESTIONS AND COMMENTS**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this SPA within 14 days from the receipt of notice. Comments may be sent by email to [PublicInput@dhcs.ca.gov](mailto:PublicInput@dhcs.ca.gov) or by mail to the address below:

**Contact Information**

Department of Health Care Services  
Director's Office  
1500 Capitol Avenue, MS 0000  
Sacramento, CA 95814

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

Sincerely,

Original Signed by René Mollow for

Andrea Zubiante, Acting 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 Addendum**

**PURPOSE**

The purpose of this addendum is to inform Tribal Chairpersons and Designees of Indian Health Programs and Urban Indian Organizations of changes to proposed State Plan Amendment (SPA) 22-0001.

**BACKGROUND**

As previously communicated in the [Tribal and Designees notice released on February 18, 2022](#), SPA 22-0001 proposed to add community health worker (CHW) services as a covered Medi-Cal benefit. CHWs can include promotores, community health representatives, and violence prevention professionals. CHWs are not considered Tribal 638 clinic providers, so CHW services are not eligible for reimbursement at the federal All-Inclusive Rate (AIR).

Following submission of SPA 22-0001 and to support CHW services for Indian Medi-Cal beneficiaries, DHCS consulted the Centers for Medicare & Medicaid Services (CMS) for guidance on fee-for-service (FFS) payments to Tribal 638 Clinics for CHW services. CMS confirmed that CHW services are not included in the AIR. Consequently, DHCS will reimburse Indian Health Services Memorandum of Agreement Clinics and Tribal Federally Qualified Health Centers (FQHC) for CHW services at the FFS rate, as described in SPA 22-0001. In addition, clinic regulations regarding the four walls of a Tribal 638 clinic do not apply to CHW services that are reimbursed at a FFS rate, so they may be provided within the community when they are supervised by the clinic.

The effective date for SPA 22-0001 will remain July 1, 2022.

**SUMMARY OF PROPOSED CHANGES**

SPA 22-0001 proposes to reimburse Tribal 638 Clinics for CHW services as a FFS payment outside of the AIR.

**IMPACT TO TRIBAL HEALTH PROGRAMS**

To the extent that Tribal health programs provide CHW services, an increase in Medi-Cal beneficiaries accessing the services within Tribal Health Programs may occur. Payment will be available as a FFS payment outside of the Office of Management and Budget Indian Health Service per visit rate for Tribal 638 clinic providers.

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

CHWs are not considered FQHC providers, so their services will not be considered billable encounters and will not be eligible for Prospective Payment System (PPS) rate reimbursement. Some FQHCs may have some costs for CHW services built into their PPS rate. FQHCs that choose to add CHW services for clinic patients may qualify for a Change in Scope of Services Request (CSOSR) under Welfare Institutions Code Section 14132.100 (e)(3)(B) if they meet specific criteria as required in the statute.

**IMPACT TO INDIAN MEDI-CAL BENEFICIARIES**

Medi-Cal beneficiaries may have increased access to these benefits, which is expected to improve health outcomes for beneficiaries receiving these services.

**RESPONSE DATE**

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