



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** September 26, 2018

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

**FROM:** Original Signed By Sandra "Sam" Willburn, Chief,  
Primary, Rural, and Indian Health Division

**SUBJECT:** Notice of Proposed Change to the Medi-Cal Program

The purpose of this memo 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, 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 e-mail to Lindy Harrington at [lindy.harrington@dhcs.ca.gov](mailto:lindy.harrington@dhcs.ca.gov), or by mail to the address below:

**Contact Information**

Lindy Harrington, Deputy Director  
Health Care Financing  
Department of Health Care Services  
1501 Capitol Ave., MS 4050  
P.O. Box 997413  
Sacramento, CA 95899-7413

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

Enclosure



**Department of Health Care Services (DHCS)  
Tribal and Designees of Indian Health Programs Notice**

**PURPOSE:**

DHCS proposes to submit State Plan Amendment (SPA) 18-0055 to the Centers for Medicare and Medicaid Services (CMS) to seek necessary approvals to clarify payment policies for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).

**BACKGROUND:**

Under the California Medicaid State Plan, the payment policies for services provided outside the clinic facility for FQHCs and RHCs are unclear. SPA 18-0055 proposes to clarify these payment policies.

The proposed policy changes under SPA 18-0055 will be effective January 1, 2019.

**SUMMARY OF PROPOSED CHANGES:**

The proposed SPA will clarify when the FQHC or RHC may bill the Prospective Payment System (PPS) rate for the following services provided outside of the clinic four walls:

- Inpatient services
- Dental Services
- Telehealth services
- Homeless services
- Mobile units and intermittent clinics
- Homebound Services

**IMPACT TO TRIBAL HEALTH PROGRAMS:**

SPA 18-0055 seeks to clarify the payment policies for FQHCs and RHCs. DHCS anticipates no impact to THPs since THPs are not enrolled in Medi-Cal as FQHC or RHC providers.

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

FQHCs and RHCs may experience an increase or decrease in payable services provided outside the clinic facility as a result of this proposal.

**IMPACT TO INDIAN MEDI-CAL BENEFICIARIES:**

The proposed payment policies clarifications should not have an impact.

**RESPONSE DATE:**

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by e-mail to [Lindy Harrington at lindy.harrington@dhcs.ca.gov](mailto:Lindy.Harrington@dhcs.ca.gov), or by mail to the address below:

**CONTACT INFORMATION**

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