



May 21, 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 [DHCSPAHCA@dhcs.ca.gov](mailto:DHCSPAHCA@dhcs.ca.gov) or by mail to the address below:

### **Contact Information**

Department of Health Care Services  
Fee-For-Service Rate Development Division  
1501 Capitol Avenue  
MS 4600  
P.O. Box 997417  
Sacramento, CA 95899-7417

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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,

Andrea Zubiato, 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**

To seek federal approval to establish the Medi-Cal Fee-For-Service (FFS) reimbursement rate methodology for Community Health Worker (CHW) services billed using Health Care Common Procedure Coding System (HCPCS) codes that are not Current Procedural Terminology (CPT) codes, effective April 1, 2025.

**BACKGROUND**

State Plan Amendment (SPA) 22-0001 was approved by the federal Centers for Medicare & Medicaid Services (CMS) to add CHW services as a Medi-Cal covered benefit, effective July 1, 2022. DHCS added CHW services as benefits, billed using CPT codes, and established the reimbursement rate at 80% of the lowest maximum allowance established by the federal Medicare program for the same or similar service.

**SUMMARY OF PROPOSED CHANGES**

Effective April 1, 2025, DHCS will establish Medi-Cal FFS reimbursement rate methodology for CHW services billed using HCPCS codes to the lowest of either: (1) the amount billed, (2) the charge to the general public, or (3) 100 percent of the lowest maximum allowable rate as established by CMS for the federal Medicare program. The proposed changes would not change rates for CHW services billed using CPT codes which were established pursuant to SPA 22-0001 and eligible providers may still bill the CPT codes.

**IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)**

To the extent that THPs provide CHW services, an increase in Medi-Cal members accessing services may occur. THPs will be eligible to bill to receive reimbursement for CHW services, billed using HCPCS codes, as a FFS payment outside of the federal All-Inclusive Rate in addition to the CPT codes previously authorized by SPA 22-0001.

**IMPACT TO FQHCs**

FQHCs are reimbursed an all-inclusive Prospective Payment System (PPS) reimbursement for allowable outpatient visits with a physician or other billable provider. Since CHWs are not an allowable billable provider, FQHCs will not be impacted by the changes outlined above.

**IMPACT TO 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.

**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 [DHCSPAHCA@dhcs.ca.gov](mailto:DHCSPAHCA@dhcs.ca.gov) or by mail to the address below.



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