

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

November 29, 2023

Welcome and Webinar Logistics

Dos & Don'ts of WebEx

- » Everyone will be automatically muted upon entry
- » Use the Q&A or Chat box to submit comments or questions
- » Please use the Chat box 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.**
 - Participants may “raise their hand” for Webex facilitator to unmute the participant to share feedback
 - Alternatively, participants who have raised their hand may unmute their own lines, but DHCS asks that you wait for a facilitator to recognize your request 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 “*6” on your phone to “raise your hand”

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.

Agenda

- » Welcome and Purpose
- » Overview of State Plan and State Plan Amendments (SPAs)
- » SPAs Scheduled for Submission to CMS by December 31, 2023
- » Closing and Feedback

State Plan Amendment Overview



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 23-0037

**Add Licensed Professional Clinical Counselor (LPCC)
as a Billable Practitioner for
Federally Qualified Health Centers (FQHCs), Rural
Health Clinics (RHCs), and Tribal FQHCs**

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Associate Governmental Program Analyst
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Background

- » There is a large unmet need for behavioral health specialists, due to the patient demand for these services and the existing shortage of specialists
- » Licensed Professional Clinical Counselors (LPCCs) are masters-level health care professionals trained to evaluate a person's mental health and use therapeutic techniques based on specific training programs.
- » Allowing Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs), and Tribal FQHCs to bill for LPCC encounters will increase access to behavioral and mental health services for patients in medically underserved, rural, and remote areas in California.
- » LPCCs are already included in the Medi-Cal State Plan as a health professional for Indian Health Services Memorandum of Agreement (IHS-MOA).

Purpose

- » The Department of Health Care Services (DHCS) proposes to submit State Plan Amendment (SPA) 23-0037 to the Centers for Medicare and Medicaid Services (CMS) to expand behavioral health services in rural, remote, and underserved areas.

Summary of Proposed Changes

- » DHCS plans to submit SPA 23-0037 to CMS with a proposed effective date of January 1, 2024. The SPA proposes to authorize LPCCs as a health care professional eligible to provide reimbursable Medi-Cal behavioral health services to patients at FQHCs, RHCs, and Tribal FQHCs.

Impact to Tribal Health Programs

- » DHCS does not anticipate an impact to IHS/MOA providers.
- » However, if a THP participates in Medi-Cal as a Tribal FQHC, this proposed SPA will make LPCC a billable provider. Adding LPCCs to the list of behavioral health professionals at Tribal FQHCs will expand flexibility and access for Medi-Cal members to receive the various mental and behavioral health services they need.

Impact to Federally Qualified Health Centers (FQHCs)

- » To the extent that FQHCs provide behavioral health services, this SPA aims to expand access to behavioral health services by increasing the number of health care professionals eligible to provide these services. Adding LPCCs to the list of behavioral health professionals like Licensed Clinical Social Workers (LCSWs), Licensed Marriage and Family Therapists (LMFTs), and licensed clinical psychologists will help expand flexibility of access for Medi-Cal members to receive the various behavioral health services they need, likely improving health outcomes for those that receive services.

Impact to American Indian Medi-Cal Members

- » As a result of this proposal, Medi-Cal beneficiaries at FQHCs, RHCs, and Tribal FQHCs will have increased access to mental and behavioral health services, which is expected to improve health outcomes for those receiving the services.

Contact Information

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SPA 23-0043

Pharmacy Invoice Price Payment

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Background

- » Medi-Cal's current payment methodology for covered outpatient drugs complies with the Centers for Medicare and Medicaid (CMS) Covered Outpatient Drug Final Rule in accordance with 42 C.F.R. Part 447.
- » For covered outpatient drugs, Medi-Cal reimburses providers the lower of the drug's ingredient cost plus a professional dispensing fee or the pharmacy's usual and customary charge to the public. The drug's ingredient cost means the lowest of the:
 - National Average Drug Acquisition Cost (NADAC), or the Wholesale Acquisition Cost (WAC) + 0% when NADAC is unavailable
 - Federal Upper Limit (FUL); or
 - Maximum Allowable Ingredient Cost (MAIC) of the drug.
- » The State Plan currently does not include the payment methodology when pricing data are unlisted for a drug.

Purpose

- » To seek federal approval to include an Actual Acquisition Cost (AAC), based on the invoice price paid by the Medi-Cal provider to a supplier, wholesaler, or manufacturer, as a payment methodology for covered outpatient drugs when pricing benchmarks for the drug's ingredient cost are unavailable

Summary of Proposed Changes

- » DHCS is submitting SPA 23-0043 to CMS to establish a reimbursement option when pricing data are unavailable for a drug.
- » In the rare situations where NADAC, WAC, FUL, and MAIC price points are unavailable, the SPA permits the Department to reimburse providers for the drug's ingredient cost reflective of its AAC (based on the invoice price paid by the provider to a supplier, wholesaler, or manufacturer), plus a professional dispensing fee.

Impact to Tribal Health Programs

- » To the extent that a THP has a Medi-Cal enrolled retail pharmacy this SPA proposes to change the reimbursement methodology for certain covered drugs.
- » Under this SPA, payment for covered outpatient drugs dispensed by THP pharmacies will be reimbursed at the AAC (based on the invoice price paid by the provider to a supplier, wholesaler, or manufacturer), plus a professional dispensing fee, when approved CMS benchmarks are unavailable.
- » This will ensure Medi-Cal member's access to covered outpatient drugs and payment to providers.

Impact to Federally Qualified Health Centers (FQHCs)

- » To the extent that a FQHC has Medi-Cal enrolled retail pharmacy this SPA proposes to change the reimbursement methodology for certain covered drugs.
- » Under this SPA, payment for covered outpatient drugs dispensed by FQHCs will be reimbursed at the AAC (based on the invoice price paid by the provider to a supplier, wholesaler, or manufacturer), plus a professional dispensing fee, when approved CMS benchmarks are unavailable.
- » This will ensure Medi-Cal member's access to covered outpatient drugs and payment to providers.

Impact to American Indian Medi-Cal Members

- » DHCS does not anticipate an impact to American Indian Medi-Cal members who receive pharmacy services as this proposal seeks to ensure access to covered outpatient drugs by ensuring pharmacies are reimbursed appropriately when pricing benchmarks for the drug's ingredient cost are unavailable.

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SPA 23-0044

Enteral Formulae Prescribing Authority

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Background

- » Medi-Cal covers enteral nutrition formulae in compliance with California's Welfare and Institutions Code (WIC), Sections 14105.81 and 14132.862.
- » Enteral formulae are currently covered under the DHCS State Plan "only when supplied by a pharmacy provider upon the prescription of a physician within the scope of his or her practice."
- » Based on prior authorization denials and stakeholder feedback, the Department seeks to expand the prescribing authority for enteral formulae to specified licensed non-physician prescribers within their scope of practice. This proposed change in permissions and language is consistent with the current coverage for medical supplies and durable medical equipment allowed under the State Plan.

Purpose

- » To seek federal approval to expand the prescribing authority for coverage of enteral formulae, when supplied by a pharmacy provider, from “physician” to include “physician, nurse practitioner, clinical nurse specialist, or physician assistant within the scope of his or her practice.”

Summary of Proposed Changes

- » DHCS is submitting SPA 23-0044 to the Centers for Medicare & Medicaid Services to expand the prescribing authority for enteral formulae from “physician” to include “physician, nurse practitioner, clinical nurse specialist, or physician assistant within the scope of his or her practice.”

Impact to Tribal Health Programs

- » To the extent that THPs prescribe enteral formulae this SPA proposes to change the prescribing authority. Under this SPA, enteral formulae could now be prescribed by a physician, nurse practitioner, clinical nurse specialist, or physician assistant. This would streamline access and reduce prior authorization denials over prescriber type and help ensure the Medi-Cal Rx member's access to covered outpatient enteral nutrition products and reduce delays in payment to providers.

Impact to Federally Qualified Health Centers (FQHCs)

- » To the extent that FQHCs prescribe enteral formulae this SPA proposes to change the prescribing authority. Under this SPA, enteral formulae could now be prescribed by a physician, nurse practitioner, clinical nurse specialist, or physician assistant. This would streamline access and reduce prior authorization denials over prescriber type and help ensure the Medi-Cal Rx member's access to covered outpatient enteral nutrition products and reduce delays in payment to providers.

Impact to American Indian Medi-Cal Members

- » DHCS anticipates that by streamlining access and reducing unnecessary prior authorization denials, Medi-Cal Rx members utilizing enteral formulae will experience improved access.

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Feedback/Questions

