

March 27, 2025

*THIS LETTER SENT VIA EMAIL*

Mr. James G. Scott, Director  
Division of Program Operations  
Medicaid and CHIP Operations Group  
Centers for Medicare & Medicaid Services  
601 East 12th Street, Suite 0300  
Kansas City, MO 64106-2898

STATE PLAN AMENDMENT 25-0008: REMOVAL OF 'FOUR WALLS' LIMITATION  
FOR INDIAN HEALTH SERVICES-MEMORANDUM OF AGREEMENT (IHS-MOA)  
PROVIDERS AND TECHNICAL CORRECTION TO CHANGE PSYCHOLOGICAL  
ASSISTANT TO PSYCHOLOGICAL ASSOCIATE

Dear Mr. Scott:

The Department of Health Care Services (DHCS) is submitting State Plan Amendment (SPA) 25-0008 for your review and approval. This SPA proposes to eliminate the “four walls” limitation for IHS-MOA providers and makes a technical change to the title of psychological assistant to align with recent state law changes. DHCS seeks an effective date of January 1, 2025, for this SPA.

The Centers for Medicare & Medicaid Services (CMS) Final Rule CMS-1809-FC permits Medicaid to cover clinic services outside the “four walls” of IHS-MOA facilities. This SPA addresses this change in policy by removing from the State Plan the requirement for IHS-MOA services to be provided within the Tribal facility. Additionally, California Senate Bill 801 renamed psychological assistant to psychological associate. DHCS is proposing this technical correction to address this change.

The Tribal and designees of Indian health program notice was released on February 20, 2025. The proposed SPA language was reviewed during DHCS’ quarterly webinar held on February 26, 2025. DHCS has received no comments or feedback from Tribal partners regarding this proposal.

The following documents are included in this submission:

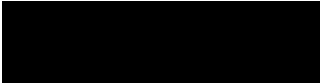
- Cover Letter
- CMS 179 Form
- Supplement 6 to Attachment 4.19-B, Pages 1-2 (redline and clean version)

Mr. Scott  
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- Supplement 8 to Attachments 3.1-A and 3.1-B, Pages 1-6 (new)
- Tribal Notice
- Standard Funding Questions

If you have any questions or need additional information, please contact Andrea Zubiante, Chief of Office of Tribal Affairs, at (916) 713-8623 or by email at [Andrea.Zubiante@dhcs.ca.gov](mailto:Andrea.Zubiante@dhcs.ca.gov).

Sincerely,



Tyler Sadwith  
State Medicaid Director  
Chief Deputy Director, Health Care Programs  
California Department of Health Care Services

Enclosures

cc: Lindy Harrington  
Assistant State Medicaid Director  
Director's Office  
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**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL  
SECURITY ACT                      XIX                      XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY \_\_\_\_\_ \$ \_\_\_\_\_  
b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT *(If Applicable)*

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW *(Check One)*

GOVERNOR'S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Please note: The Governor's Office does not wish to review  
the State Plan Amendment.

11. SIGNATURE OF STATE AGENCY OFFICIAL

15. RETURN TO

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

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REIMBURSEMENT FOR INDIAN HEALTH SERVICES  
AND TRIBAL 638 HEALTH FACILITIES

California will reimburse federally recognized tribal "638" facilities in accordance with the most recent rate published in the Federal Register.

1. IHS/Tribal 638 facilities are reimbursed at the all-inclusive rate for each encounter.
2. An IHS clinic encounter is defined as:
  - A. A face-to-face encounter provided between a tribal patient and the health professional (as specified on page 2) of the clinic or the center;
  - B. An audio-only encounter which takes place between a tribal patient and the health professional (as specified on page 2) of the clinic or center when the service meets all of the associated requirements of a face-to-face visit except the physical presence of the tribal patient.
3. The IHS MOA clinics may bill for up to three visits a day for one patient, if one is a medical visit, one is an ambulatory visit (as defined in Item D, page 2 of this Supplement), and one is a mental health visit.
4. Encounters with the health professionals listed on page 2 may be billed under the IHS all-inclusive rate.

REIMBURSEMENT FOR INDIAN HEALTH SERVICES  
AND TRIBAL 638 HEALTH FACILITIES

A. Below is a list of health professionals that may bill under the IHS all-inclusive rate:

- Physician
- Physician Assistant
- Nurse Practitioner
- Nurse Midwife
- Registered Dental Hygienist
- Registered Dental Hygienist in Extended Functions
- Registered Dental Hygienist in Alternative Practice
- Clinical Psychologist
- Clinical Social Worker
- Marriage and Family Therapist
- Licensed Professional Clinical Counselor
- Acupuncturist
- Visiting Nurse
- Under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit, the services of Licensed Marriage, Family, and Child Counselors are available as “other health visit” to persons under 21 years of age, as a result of an EPSDT screening which identifies the need for a service which is necessary to correct or ameliorate a mental illness or condition.

B. Comprehensive Perinatal Service Program providers who are licensed and/or certified practitioners who are able to render covered services in accordance with their scope of practice as identified in California statute. A September 17, 1985, HCFA letter allows these services as a physician or clinic service.

C. In addition, below is a list of associates and interns that may provide Medi-Cal psychology services:

- Associate Marriage and Family Therapist
- Associate Professional Clinical Counselor
- Associate Clinical Social Worker
- Psychological Associate

Associates and assistants must be under the supervision of a licensed mental health professional, in accordance with their scope of practice and applicable state laws.

D. Except for the services specified under Item E below, the following other ambulatory services, but not limited to, provided by health professionals can be billed under the IHS all-inclusive rate.

- Acupuncture
- Medical and surgical services provided by a doctor of dental medicine or dental surgery which, if provided by a physician, would be considered physician services
- Physical Therapy
- Occupational Therapy
- Podiatry
- Drug and alcohol visits (subject to Medi-Cal provider participation requirements)
- Telemedicine and teledentistry (no additional live transmission costs will be reimbursed)
- Optometry

**State Plan under Title XIX of the Social Security Act****State/Territory:** California**Section 1905(a)(9) Clinic Services**

The state provides coverage for this benefit as defined at section §1905(a)(9) of the Social Security Act (the Act) and 42 C.F.R. 440.90 and as described as follows:

**General Assurances****[Select all three checkboxes below.]**

- ☒ The state assures services are furnished by a facility that is not part of a hospital in accordance with 42 C.F.R. 440.90.
- ☒ The state assures that services are furnished by facilities that are organized and operated to provide medical care to outpatients in accordance with 42 C.F.R. 440.90.
- ☒ The state assures that services are furnished under the direction of a physician or dentist in accordance with 42 C.F.R. 440.90(a).

**Types of Clinic Services and Limitations in Amount, Duration, or Scope****[Select if applicable, describe below, and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**

- ☐ Limitations apply to all services within the benefit category.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1905(a)(9) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #91). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN: 25-0008

Approval Date:

Supersedes TN: New

Effective: 01/01/25

## State Plan under Title XIX of the Social Security Act

State/Territory: California

## Section 1905(a)(9) Clinic Services

Types of Clinics and Services:

**[Select all that apply and describe below as applicable]**☐ Behavioral Health Clinics **[Describe the types of behavioral health clinics below and select below if applicable.]:**☐ Limitations apply only to this clinic type within the benefit category. **[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**☒ IHS and Tribal Clinics **[Select below if applicable.]:**☒ Limitations apply only to this clinic type within the benefit category. **[describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria].**

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## Section 1905(a)(9) Clinic Services

☐ Renal Dialysis Clinics **[Select below if applicable.]:**☐ Limitations apply only to this clinic type within the benefit category.  
**[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**☐ Other Clinics **[Describe the types of clinics, if any limitations apply, and select below if applicable.]:**☐ Limitations apply only to this clinic type within the benefit category.  
**[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**

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## State Plan under Title XIX of the Social Security Act

State/Territory: California

## Section 1905(a)(9) Clinic Services

Four Walls Exceptions

The state assures that the following services may be furnished outside of the clinic. **[Select the first and second checkbox; Do not select the second checkbox if the state does not enroll IHS or Tribal facilities as providers of clinic services.]**



Services furnished outside the clinic, by clinic personnel under the direction of a physician, to an eligible individual who does not reside in a permanent dwelling or does not have a fixed home or mailing address in accordance with 42 C.F.R. 440.90(b).



Services furnished outside a clinic that is a facility of the Indian Health Service, whether operated by the Indian Health Service (IHS) or by a Tribe or Tribal organization (as authorized by the Indian Self-Determination and Education Assistance Act (ISDEAA), Pub. L. 93-638), by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(c).

The state elects to cover the following services outside of the clinic **[Select all that apply.]**



Services furnished outside of a clinic that is primarily organized for the care and treatment of outpatients with behavioral health disorders, including mental health and substance use disorders, by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(d) **[Describe the types of behavioral health clinics such exception applies to below:]**

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## State Plan under Title XIX of the Social Security Act

State/Territory: California

## Section 1905(a)(9) Clinic Services

☐ Services furnished outside of a clinic that is located in a rural area and is not a rural health clinic (as referenced in section §1905(a)(2)(B) of the Act and 42 C.F.R. 440.20(b) of this subpart) by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(e) **[Select one of the checkboxes below and describe the definition of a rural area that applies to this exception.]**

☐ A definition adopted and used by a federal governmental agency for programmatic purposes **[Describe below.]**

☐ A definition adopted by a state governmental agency with a role in setting state rural health policy **[Describe below.]**

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**State Plan under Title XIX of the Social Security Act****State/Territory:** California**Section 1905(a)(9) Clinic Services**

The state attests that **[Select the checkbox if the state elects to cover services outside of a clinic that is located in a rural area.]**:

- ☐ The selected definition of a rural area best captures the population of rural individuals that meets more of the four criteria that mirror the needs and barriers to access experienced by individuals who are unhoused:
- The population experiences high rates of behavioral health diagnoses or difficulty accessing behavioral health services;
  - The population experiences issues accessing services due to lack of transportation;
  - The population experiences a historical mistrust of the health care system; and
  - The population experiences high rates of poor health outcomes and mortality.

**Additional Benefit Description (Optional)**

At its option the state may provide additional descriptive information about the benefit, beyond what is included in the federal statutory and regulatory definitions and descriptions. **[Describe below.]**

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