



November 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 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



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

Sincerely,

Original signed by Consuelo Gambino

On behalf of
Andrea Zubiate, 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 amend California's Medicaid State Plan to remove the sunset date (September 30, 2025) for Medication-Assisted Treatment (MAT). This change aligns with Section 201 of the Consolidated Appropriations Act, 2024, which makes the Medicaid benefit for medications for opioid use disorder (MOUD) a permanent, mandatory benefit. The amendment ensures continued coverage of MAT services under the Medi-Cal program.

BACKGROUND

DHCS is submitting SPA 25-0043 to align California's Medicaid State Plan with recent federal statutory changes. Section 201 of the Consolidated Appropriations Act, 2024, amended Section 1905(a)(29) of the Social Security Act to make permanent the mandatory Medicaid benefit for MOUD, which was originally set to expire on September 30, 2025. The MOUD benefit has been in effect since October 1, 2020. This SPA removes the sunset date from California's Medicaid State Plan to ensure continued access to these services and maintain compliance with federal law.

In addition, DHCS will also submit SPA 25-0044 to align the ABP for the new adult group Medi-Cal members with changes made by SPA 25-0043.

SUMMARY OF PROPOSED CHANGES

SPA 25-0043 and SPA 25-0044 propose to remove the September 30, 2025 sunset date from California's Medicaid State Plan for MAT services, in accordance with Section 201 of the Consolidated Appropriations Act, 2024, which makes the MOUD benefit permanent under federal law.

The proposed effective date for SPAs 25-0043 and 25-0044 is October 1, 2025.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

These SPAs implement a federally mandated change under Section 201 of the Consolidated Appropriations Act, 2024, which makes permanent the Medicaid benefit for MOUD under Section 1905(a)(29) of the Social Security Act. The benefit has been in effect since October 1, 2020.

While these SPAs do not introduce changes to eligibility, provider types, or reimbursement methodologies for THPs, DHCS acknowledges that the permanent continuation of this benefit may result in increased utilization of MOUD services by tribal providers or members, which could have a financial impact for THPs that anticipated the benefit to sunset on September 30, 2025. For example, THPs may need to adjust staffing, expand service capacity, or revise budget projections to accommodate sustained demand for MOUD services beyond the previously expected end date.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

These SPAs remove the sunset date for the MOUD benefit and ensures continued coverage beyond September 30, 2025. FQHCs currently providing MOUD services will continue to do so without disruption.

While these SPAs do not propose changes to FQHC billing methodologies or provider types in California's Medicaid State Plan ([Section 4.19b](#); [Limitations on Attachment 3.1-A](#); [Limitations on Attachment 3.1-B](#), or [Attachment 3.1-L](#)), DHCS recognizes that the permanent continuation of this benefit may lead to increased service delivery and associated costs or resource needs for FQHCs that serve tribal communities. These impacts could include the need for additional clinical staff, expanded appointment availability, or adjustments to care coordination workflows.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

DHCS anticipates these SPAs will support continued access to MOUD services for American Indian Medi-Cal members. The SPAs ensure uninterrupted access to MOUD by removing the sunset date of September 30, 2025.

While the MOUD benefit itself is not new, its permanent status may guide care planning constructs and service availability for tribal members. This could yield downstream financial or operational implications for tribal-serving providers, such as increased demand for culturally competent behavioral health services or expanded MAT program management.

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 PublicInput@dhcs.ca.gov or by mail to the address below:

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