



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

January 4, 2021

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

Subject: Notice of Proposed Changes to the Medi-Cal Program In Response to the
COVID-19 Public Health Emergency

The purpose of this letter is to provide information regarding proposed changes to the Department of Health Care Services' (DHCS) Medi-Cal Program, which are needed to address the COVID-19 public health emergency.

Please note that the Centers for Medicare and Medicaid Services (CMS) has provided flexibility that allows states to modify tribal notification timeframes, including conducting consultation after submission of Waivers, Demonstration Projects, and State Plan Amendments (SPA) in order to timely modify Medicaid programs to address the COVID-19 emergency. The modified process provides for notification and opportunity to comment within ten business days of submission to CMS of proposals related to the COVID-19 emergency. This notice meets DHCS' modified notification process.

DHCS has submitted the following proposal to CMS:

- **DHCS Request for Section 1115 Demonstration Authority Related to COVID-19 Testing in Schools:** This proposal seeks to allow COVID-19 testing flexibilities for Medi-Cal children in Transitional Kindergarten (TK) through 12th grade. Additionally, the waiver seeks to carve out COVID-19 testing from all Medi-Cal managed care contracts when a testing-only encounter occurs in schools. Please see the enclosed summary for a detailed description of this DHCS proposal.

QUESTIONS AND COMMENTS

Tribes, Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 10 days from the receipt of notice. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below:

Primary, Rural, and Indian Health Division, MS Code 8502
P.O. Box Number 997413, Sacramento, CA 95899-7413
(916) 449-5770

Internet Address: <http://www.DHCS.ca.gov>

Tribal Chairpersons, Designees of Indian Health Programs,
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Angeli Lee

Director's Office Department of Health Care Services

MS 0000

P.O. Box 997413

Sacramento, CA 95899-7413

Please note that Indian Health Programs and Urban Indian Organizations may also request a telephone consultation on these proposals at any time as needed.

Sincerely,

Original Signed By

Sandra "Sam" Willburn, Chief

Primary, Rural, and Indian Health Division

Department of Health Care Services

MS 8502

P.O. Box 997413,

Sacramento, CA 95899-7413



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

PURPOSE:

To request federal approval of flexibilities related to the coverage and reimbursement of COVID-19 testing-only encounters in school settings under the Early and Periodic Screening, Diagnostic, and Treatment screening provisions within Medicaid and the Children's Health Insurance Program.

BACKGROUND

DHCS submitted to the Centers for Medicare & Medicaid Services (CMS) a request for a [waiver under Section 1115 of the Social Security Act](#) (SSA) to allow COVID-19 testing flexibilities for Medi-Cal children in Transitional Kindergarten (TK) through 12th grade on December 24, 2020.

DHCS is notifying tribes and designees of Indian health programs following the submission of the 1115 waiver proposal in order to ensure CMS can expeditiously review these important surveillance testing flexibilities. CMS has provided flexibility that allows states to modify tribal notification timeframes, including conducting consultation after submission of Waivers, Demonstration Projects, and SPAs in order to timely modify Medicaid programs to address the COVID-19 emergency. The modified process provides for notification and opportunity to comment within ten business days of submission to CMS of proposals related to the COVID-19 emergency. This notice meets DHCS' modified notification process.

SUMMARY OF PROPOSED CHANGES

DHCS requested approval under Section 1115 of the SSA for flexibilities related to providing COVID-19 testing-only encounters to Medi-Cal children in TK through 12th grade.

Specifically, the 1115 waiver requests:

Approval to deliver COVID-19 testing and related reimbursement through the Medi-Cal fee-for-services (FFS) delivery system. Under this proposal, DHCS will carve out¹ COVID-19 testing from all Medi-Cal managed care contracts when a testing-only encounter occurs in schools. Note, the testing amount and frequency will be based on California's tiered COVID-19 protocols², which are driven by case rates in each county.

Impact: To the extent that a Federally Qualified Health Center, Rural Health Clinic, or Indian Health Service-Memorandum of Agreement school-based clinic provides a COVID-19 testing-only encounter to Medi-Cal children (TK-12th grade), they would receive reimbursement through the DHCS Fiscal Intermediary at the FFS rate. There will be no need to submit claims separately to the managed care plan for COVID-19 testing-only encounters. DHCS anticipates this proposal will increase access to COVID-19 testing for Medi-Cal covered

¹ If approved, this carve-out would supersede the current listing of "Capitated Benefits Provided in Managed Care" in Attachment N to the Special Terms and Conditions for the Medi-Cal 2020 Section 1115 Demonstration.

² For more information please see the [California's Safe Schools for All Plan](#).

children in TK-12th grade and allow a safer return to school as a result.

DHCS requested a February 1, 2021 effective date for the proposed expenditure authority and flexibilities.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 10 days from the receipt of notice. Comments may be sent by email to Angeli.Lee@dhcs.ca.gov or by mail to the address below.

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