



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:

- **Medicaid Disaster Relief for the COVID-19 National Emergency (SPA 20-0046):** DHCS submitted State Plan Amendment (SPA) 20-0046 to request flexibilities related to reimbursement for COVID-19 testing when provided to Medi-Cal children (TK-12th grade) 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>

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Director's Office Department of Health Care Services
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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 seek federal approval to allow reimbursement for COVID-19 testing-only encounters for Medi-Cal children in Transitional Kindergarten (TK) to 12th grade when provided in schools.

BACKGROUND

DHCS submitted [State Plan Amendment \(SPA\) 20-0046](#) to the Centers for Medicare & Medicaid Services (CMS) to request flexibilities related to reimbursement for COVID-19 testing when provided to Medi-Cal children (TK-12th grade) in schools on December 24, 2020.

DHCS is notifying tribes and designees of Indian health programs following the submission of SPA 20-0046 in order to ensure CMS can expeditiously review these important COVID-19 testing in school related flexibilities. CMS has provided flexibility that allows states to modify tribal notification time frames, 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

SPA 20-0046 would add coverage for COVID-19 testing for Medi-Cal children (TK-12th grade) in schools and establish reimbursement at seventy (70) percent of the Medicare reimbursement rates for the testing. The proposed change allows Medi-Cal providers (when furnished within their scope of practice) to provide COVID-19 testing to Medi-Cal children in schools, including Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Service-Memorandum of Agreement (IHS-MOA) providers.

Specifically, the SPA proposes to:

Reimburse for the COVID-19 testing of children (TK-12th grade) in schools at seventy (70) percent of Medicare reimbursement rate for all Medi-Cal providers. The weighted average payment rate would be \$65.95 for the testing-only encounter.

Impact: To the extent that a FQHC, RHC, or IHS-MOA provider furnishes COVID-19 tests to Medi-Cal children (TK-12th grade) in schools, they will be reimbursed at seventy (70) percent of the clinics Medicare payment rate established pursuant to this SPA. Under this proposal, FQHC, RHC, and IHS-MOA providers would be able to receive reimbursement of the COVID-19 testing fee outside of the Prospective Payment System Rate or All Inclusive Rate. Submission of claims for COVID-19 testing-only encounters would be through the DHCS Fiscal Intermediary for reimbursement at the fee-for-service rate. DHCS will issue guidance on claim submission following approval of the SPA by CMS. Reimbursement for the COVID-19 (TK-12th grade) testing-only encounter of Medi-Cal children will not impact the DHCS annual reconciliation process.

DHCS anticipates American Indian Medi-Cal members in schools (TK-12th grade) will have increased access to regular COVID-19 tests that will facilitate a safer return to schools.

The proposed effective date of this SPA is February 1, 2021.

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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