DHCS

Department of Health Care Services
MEMORANDUM

DATE: January 24, 2013

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division

SUBJECT: Notice of Proposed Change to the Medi-Cal Program

The purpose of this memo 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 request or modification, or proposal for demonstration projects in the Medi-Cal program.

Tribal Health Programs Uncompensated Care Amendment to the California Bridge to Reform (BTR) Medicaid Section 1115 Demonstration Project: DHCS plans to submit a BTR waiver amendment that would permit DHCS to make uncompensated care payments for services provided by Indian Health Service tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act to individuals with incomes up to 133 percent of the Federal Poverty Level who are not eligible for a California county Low Income Health Program. DHCS would partner with the California Rural Indian Health Board to implement this waiver proposal. Please see the attached summary of the demonstration project for a detailed description. DHCS anticipates hosting two regional meetings to discuss this proposal. Meeting details and additional information will be forthcoming.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this proposal within 30 days of receiving this notice. Comments or feedback may be sent by email or mail to:

Contact Information:

Department of Health Care Services
1501 Capitol Avenue, Suite 71.6044
PO Box 997413, MS 0000
Sacramento, CA 95899-7413
Attention: Wendy Soe
wendy.soe@dhcs.ca.gov

In addition to this notice and regional meetings, DHCS plans to cover this proposal in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

Department of Health Care Services (DHCS)
1115 Bridge to Reform (BTR) Waiver Amendment
Tribal Health Program Reimbursement for Uncompensated Care

Background:

The Centers for Medicare and Medicaid Services (CMS) approved DHCS' Section 1115 Medicaid Demonstration Waiver entitled "California's Bridge to Reform" in November 2010. This demonstration prepares California to implement federal health care reforms that will take effect in January 2014. Changes under the waiver involve expanding coverage today through the "Low Income Health Program (LIHP)" for those who will become "newly eligible" in 2014 under health care reform, implementing models for more comprehensive and coordinated care, and testing various strategies to strengthen and transform the state's public hospital system.

Description of Waiver Amendment and Effective Date:

The proposed amendment would permit DHCS to make uncompensated care payments for services provided by Indian Health Service (IHS) tribal health programs operating under the authority of the Indian Self-Determination and Education Assistance Act (ISDEAA) to individuals with incomes up to 133 percent of the Federal Poverty Level (FPL) who are not eligible for a California county LIHP. DHCS would partner with the California Rural Indian Health Board (CRIHB) to implement this waiver proposal. This proposal is similar to a section 1115 waiver amendment approved by CMS in Arizona in April 2012.

Through this demonstration, the CRIHB would determine whether Medicaid funding under the BTR Demonstration results in an increase in the volume of primary care services delivered and the capacity to deliver such services for participating providers.

The CRIHB is a tribal organization contracting under ISDEAA that provides medical assistance as a facility of the IHS through a subcontracting process with seven tribal health programs. Additionally the CRIHB serves as the central administrator for the Tribal Medicaid Administrative Activities program through contracts with 17 tribal Health Programs operating in California. CRIHB subcontracts with most of the state's 33 tribal health programs in the Contract Health Service Delivery Area. These tribal health programs would be eligible to participate in the proposed facility payment demonstration project's provider network.

Tribal health program facilities operating under section 813 of the Indian Health Care Improvement Act (IHCIA) would limit the provision of services through this demonstration to IHS eligible individuals. The proposed demonstration would provide uncompensated care payments using the IHS encounter rate for Medi-Cal state plan primary care services and other optional services eliminated from the state plan, which could include adult dental, psychiatry, behavioral health, optometry, and podiatry. Payment would be made for services provided to IHS eligible individuals with incomes up to 133 percent of the poverty level who are not eligible for a county LIHP due to beneficiary income level, a cap on the LIHP income limit, or no LIHP existing in the county.

The CRIHB network providers would conduct a high level income determination to certify clients' lack of eligibility for LIHP. Additionally, the proposed demonstration would provide uncompensated care payments using the IHS encounter rate for optional services eliminated from the state plan for services provided to IHS eligible individuals enrolled in the Medi-Cal program.

Through the demonstration, payment would be made for services provided by tribal health programs operating under ISDEAA authority. IHS eligible individuals receiving care at these facilities would continue to receive acute care hospital and specialty care services as they do now through the IHS health service referral system. Services will continue to be provided in these tribal facilities to non-IHS beneficiaries according to the eligibility policy currently in place as established and authorized by IHCIA by the individual tribal health program and as approved by the IHS. Services provided to a non-IHS beneficiary by a provider in the CRIHB network will be tracked by the CRIHB as such services would also be eligible for payment under the demonstration if the services are provided to an individual who otherwise meets the demonstration requirements.

Reimbursement for services provided to IHS eligible individuals will be provided at 100% federal matching assistance percentage. For services to non-IHS eligible individuals, the CRIHB would provide the state Medicaid share to the state through Certified Public Expenditures (CPE) in the same manner that the county LIHP programs provide the state share to the state for services provided by the LIHPs.

For all services provided under the demonstration, the CRIHB would utilize a claiming protocol that would be administered by the CRIHB through a third party administrator arrangement with the tribal health providers in the network. The CRIHB network providers would submit certified claims through an encounter-based claiming protocol, which in turn would be rolled up and submitted to the state. The state would reimburse the CRIHB for the claims. Reimbursement would then be remitted to the CRIHB network providers.

The CRIHB would be permitted to bill network providers a third party administration fee pursuant to a contract with CRIHB. The CRIHB would be eligible to receive reimbursement for administrative costs through the use of a CPE methodology.

DHCS is requesting that this waiver amendment have an effective date of January 1, 2013 and an end date of December 31, 2013.

Impact to Indian Health Programs and Urban Indian Health Organizations:

- **Impact on Indian Health Programs**
  This waiver amendment may impact participating tribal health programs because it will enable them to be reimbursed for uncompensated care provided to IHS eligible individuals.

- **Impact on Indian Medi-Cal Beneficiaries**
  Indian Medi-Cal beneficiaries may experience an increase in the volume of primary care services offered at participating tribal health programs.

Response Date:
Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this notice within 30 days from the receipt of this letter. Comments may be sent by mail or email to the address listed below:

Wendy Soe
Department of Health Care Services
1501 Capitol Avenue, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413
Wendy.soe@dhcs.ca.gov