

Indian Health Service (IHS) Area Meeting: Traditional Health Care Practices Implementation

Presenter

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Agenda

- » **Medi-Cal Overview**
- » **Traditional Health Care Practices Background**
- » **Traditional Health Care Practices Benefits Overview**

Medi-Cal Overview

Medicaid

- » Medicaid and the Children's Health Insurance Program (CHIP) provide **free or low-cost health coverage** to children and adults with limited income and resources.
- » **Federal-state partnership**; each state administers its program according to federal rules.
- » **Financing is shared** between state and federal governments.
- » Program must provide benefits to **certain mandatory groups** meeting eligibility requirements.

Medicaid serves four main groups of low-income Americans:

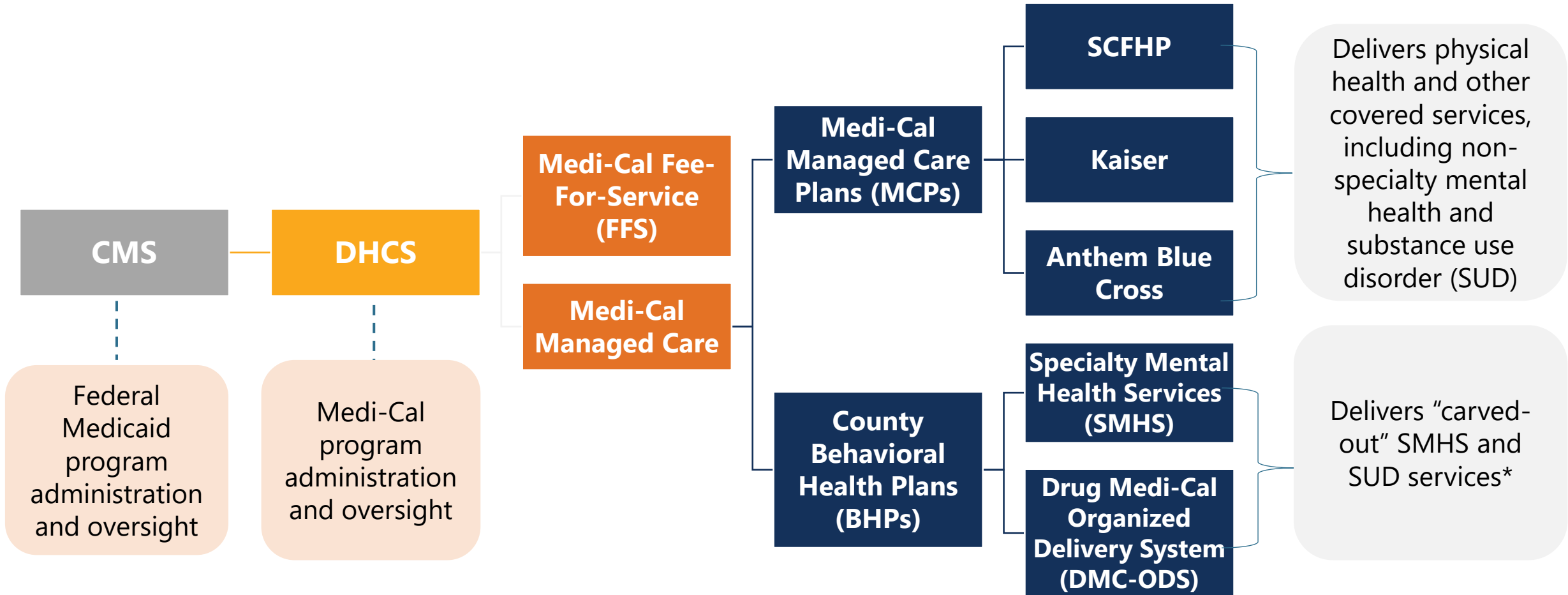
- » Adults with low incomes
- » Children in families with low incomes and their parents (including pregnant people)
- » Individuals with disabilities
- » Seniors

Medi-Cal is California's Medicaid Health Care Program

State Medicaid Plan, Amendments & Waivers

- » Each state's **State Medicaid Plan** is an agreement with the federal government describing how the state administers its Medicaid and CHIP programs.
- » **State plan amendments (SPAs)** and **waivers** are policy tools that enable states to customize their Medicaid program to better meet the needs of their enrollees.
 - States submit SPAs to the Centers for Medicare & Medicaid Services (CMS) for approval of **programmatic or operational changes**.
 - Waivers allow states to waive certain federal Medicaid requirements and conduct statewide pilot programs.

Medi-Cal BH System



**As of March 2025, 40 California counties operate a DMC-ODS managed care plan and cover an expanded set of SUD services; the remaining counties cover a more limited set of Drug Medi-Cal benefits and that coverage is outside of managed care.*

Covered DMC-ODS Services

DMC Standard Program

- Outpatient treatment
- Intensive outpatient treatment
- Medications for Addiction Treatment (MAT)
- Narcotic Treatment Program Services
- Residential SUD services for youth under 21 and perinatal women only (limited to facilities with 16 beds or fewer)
- Mobile Crisis
- Medi-Cal Peer Support Services (optional)
- Independent Placement and Support Model of Supported Employment (optional, beginning 2025)
- Enhanced Community Health Worker Services (optional, beginning 2025)



DMC-ODS Program

- Multiple levels of residential SUD treatment (not limited to youth, perinatal women or to facilities with < 16 beds)
- Withdrawal management (at least one ASAM level)
- Recovery services
- Care coordination (Case management)
- Clinician consultation
- Partial hospitalization (optional)
- Inpatient Treatment/Withdrawal Management (optional)
- Contingency Management (optional)
- **Traditional health care practices**

Traditional Health Care Practices

Background

Importance of Traditional Health Care Practices

❖ **723,225** AI/ANs live in California

❖ **55,302** Medi-Cal enrollees who self-identify as AI/AN

» Research shows that AI/AN who meet criteria for depression/anxiety or substance use disorder are significantly more likely to seek help from traditional/spiritual healers than from other sources.

» Western mental health focuses on the individual as the locus of illness, while for AI/AN mental illness is just a symptom of a whole community that is suffering from its own history of oppression and violence.

CMS Approval of Traditional Health Care Practices

- » Between 2017-2021, DHCS sent CMS three **requests to cover Traditional Health Care Practices under the Drug Medi-Cal Organized Delivery System (DMC-ODS)**.
 - The purpose of these requests was to provide culturally appropriate options and improve access to Substance Use Disorder (SUD) treatment for American Indians and Alaska Natives (AI/AN) receiving SUD treatment services through Indian Health Care Providers (IHCPs).
- » **In October 2024, CMS approved Medicaid coverage of Traditional Health Care Practices** in four states (CA, AZ, OR, NM) with a standard framework through Section 1115 waivers.
 - Waiver is approved through **December 31, 2026**, unless extended or amended

California's Approach

- » **Eligible Beneficiaries:** Medi-Cal and CHIP members receiving care delivered by Indian Health Care Providers (IHCPs) and covered by DMC-ODS to promote treatment of SUDs.
- » **Coverage:** All DMC-ODS counties must cover traditional healer and natural helper services. As of March 2025, there are 40 DMC-ODS counties.
- » **Option to Phase-In Implementation:** THCPs are available to only Medicaid and CHIP members in DMC-ODS initially. California has the option to expand to other populations and/or delivery systems in the future.
- » DHCS recognizes that payment for these services to address SUD in a manner that retains the sanctity of these ancient practices is critical.
- » DHCS developed policy guidance to support California's counties and IHCPs with the implementation of this benefit through a **Behavioral Health Information Notice**, also known as a BHIN, which includes information around services, eligibility, billing, clinical documentation, provider requirements, oversight, and other topics.

Timeline

Summer 2024

Policy development and consultation



October 16, 2024

CMS gives CA approval to provide traditional health care practices through Medi-Cal

January 2025

DHCS releases draft BHIN (guidance) for Tribes, Tribal partners, and the public for comments

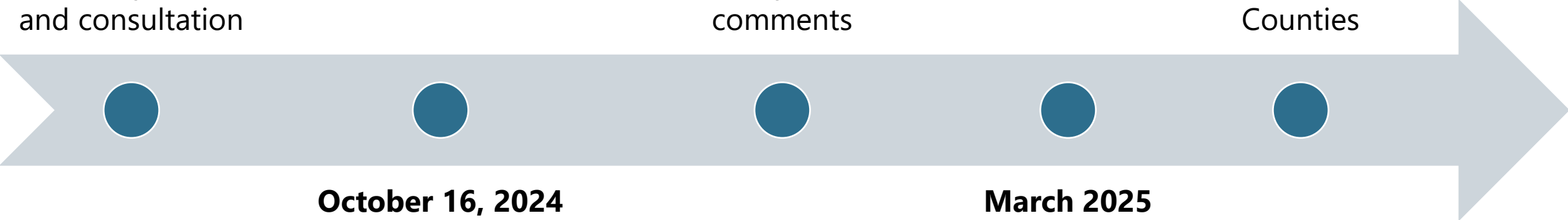


March 2025

DHCS releases BHIN

Remainder of 2025

Ongoing technical assistance for IHCPs and DMC-ODS Counties



Defining Terms

- » **Traditional health care practices** is the term used by CMS in the approval of services that are delivered by or through IHCPs.
- » In California, traditional health care practices is the umbrella term for services provided by **Traditional Healer** and **Natural Helpers**.
- » In California, “**IHCPs**” are defined as health care programs operated by the IHS (“IHS facility”), an Indian Tribe, a Tribal Organization, or an Urban Indian Organization (UIO).

Traditional Health Care Practices

Benefits Overview

Practitioner Descriptions

DHCS partnered with Tribes and Tribal partners to develop practitioner descriptions of Traditional Healers and Natural Helpers.

Practitioner Descriptions

- A *Traditional Healer* is a person currently recognized as a spiritual **leader in good standing with a Native American Tribe, Nation, Band Rancheria, or a Native community, and with two years of experience** as a recognized Native American spiritual leader practicing in a setting recognized by a Native American Tribe, Nation, Band or Rancheria or Native Community who is contracted or employed by the IHCP. A Traditional Healer is a person **with knowledge, skills and practices based on the theories, beliefs, and experiences which are accepted by that Indian community as handed down through the generations** and which can be established through the collective knowledge of the elders of that Indian community.
- A *Natural Helper* is a **health advisor**, contracted or employed by the IHCP, who seeks to deliver **health, recovery, and social supports** in the context of Tribal cultures. A Natural Helper could be a spiritual leader, elected official, paraprofessional or other individual who is a trusted member of a Native American Tribe, Nation, Band, Rancheria, or a Native community.

Service Descriptions

DHCS partnered with Tribes and Tribal partners to develop service descriptions of traditional healer and natural helper services.

Service Descriptions

Individual IHCPs may identify and offer a variety of culturally specific practices; the below descriptions are not intended to be exhaustive.

- » Traditional Healers may use an **array of interventions including, music therapy (such as traditional music and songs, dancing, drumming), spirituality (such as ceremonies, rituals, herbal remedies) and other integrative approaches.**
- » Natural Helpers may assist with **navigational support, psychosocial skill building, self-management, and trauma support** to individuals that restore the health of eligible Medi-Cal members.

Member Eligibility

- » **Traditional health care practices are covered for Medi-Cal members who:**
 1. Are enrolled in Medi-Cal or CHIP in a DMC-ODS County;
 2. Are able to receive services delivered by or through an IHCP, as determined by the facility; and
 3. Meet DMC-ODS access criteria.
 - Members enrolled in Medi-Cal in a DMC-ODS county must meet existing DMC-ODS access criteria detailed in [BHIN 24-001](#) or subsequent guidance to be eligible to receive traditional health care practices.

Participating IHCP Requirements

Medi-Cal Enrollment and Certifications

- » IHCPs that provide traditional health care practices are required to enroll as Medi-Cal providers. If the IHCP is providing DMC-ODS services beyond THCP, they must also become DMC Certified.

IHCP DMC Certification Requirements Based on Services Offered	
Medi-Cal Services Offered	Drug Medi-Cal (DMC) Certification
Only traditional health care practices (and no other DMC-ODS services)	Not required
Traditional health care practices and other DMC-ODS services	Required

MAT services do not require DMC certification or participation in the DMC-ODS.

Alcohol and Other Drug: (AOD) Certification: Consistent with federal law*, Indian Health Care Providers enrolled as Medi-Cal providers are **not** required to obtain DHCS' certification for Alcohol and Other Drug (AOD) programs if they meet all applicable standards.

*See U.S. Code, title 25, section 1647a.

Practitioner Qualifications

- » Participating IHCPs are required to **establish methods for determining whether employees or contractors are qualified to provide traditional health care practices.**
- » Participating Indian Health Care Providers must determine and document (available to DHCS upon request), that each practitioner, provider, or staff member employed or contracted with the facility to provide traditional health care practices is:
 - Qualified to provide traditional health care practices to the IHCP's patients; and
 - Has the necessary experience and appropriate training.
- » IHCPs may only bill Medi-Cal for traditional health care practices furnished only by employees or contractors who are qualified to provide them.

Ensuring Access to Continuum of Treatment Services

- » Participating IHCPs must provide, or coordinate with DMC-ODS counties to ensure access to, additional services to promote the **treatment of substance use disorders (SUDs)**, including:
 - Comprehensive **American Society of Addiction Medicine (ASAM)** assessments to identify other SUD treatment needs;
 - **Medications for addiction treatment (MAT)** services directly through the IHCP or there is an effective MAT referral process in place, and implement and maintain a MAT policy; and
 - **Other DMC-ODS services**, as needed and desired by the member.

Ensuring Access to Continuum of Treatment Services (continued)

- » IHCPs that opt to provide traditional health care practices are required to implement **evidence-based treatment practices** (EBPs) (e.g., motivational interviewing and cognitive behavioral therapy).
 - Note: If an EBP(s) does not exist for the population(s) of focus and types of problems or disorders being addressed, but there are culturally adapted practices, Community Defined Evidence Practices, and/or culturally promising practices that are appropriate, the complementary practices that have been shown to be effective for your population(s) of focus may be used.

Opt-in Process for IHCPs to Provide Traditional Health Care Practices

IHCP Opt-in Process

IHCPs must opt-in to providing traditional health care practices.

- » **IHCPs shall submit an Opt-In Package to DHCS for approval**, using a DHCS template that shall include, but is not limited to:
 - **Information for each site** (name, location, National Provider Identifier, contact).
 - **Medi-Cal enrollment status.**
 - **List of services the IHCP will provide** (TH/NH/DMC-ODS).
 - **An acknowledgment** that IHCPs must obtain DMC certification if they seek to offer DMC-ODS services other than TH/NH.
 - **Draft or final policies and procedures.**
 - **An attestation** that the IHCP will provide DHCS, upon request, supporting documentation and records.
- » DHCS will provide approval of opt-in packages no earlier than 10 business days after submission.
- » IHCPs may claim for services back to the date of opt-in submission (as long as DHCS approves).
- » Upon receiving approval from DHCS, IHCPs must share a copy of their opt-in package and DHCS approval letter with the DMC-ODS counties in which they plan to provide services.

IHCP Opt-in Process: Policies & Procedures

IHCPs must submit draft or final policies and procedures as part of their opt-in submission.

» **The Opt-In Package submission should include the following policies and procedures:**

- Practitioner Qualifications;
- County coordination, connecting members to American Society of Addiction Medicine (ASAM) assessments;
- Providing members access to medication for addiction treatment (MAT);
- Access to other DMC-ODS services, as needed; and
- Implementation of at least two evidence-based treatment practices (EBPs) *or* complementary practices, including:
 - Motivational Interviewing, Cognitive-Behavioral Therapy, Relapse prevention, Trauma-Informed Treatment, and/or Psycho-education.
 - Complementary Practices: If an EBP does not exist for the population of focus, IHCPs may include culturally adapted practices, Community Defined Evidence Practices and/or culturally promised practices.

Claiming and Payment

Claiming and Payment

- » **Submitting claims:** IHCPs shall submit claims for traditional health care practices to the appropriate county for each member who receives services.
 - Traditional health care practices are only covered as a DMC-ODS benefit for members enrolled in counties that participate in the DMC-ODS program.
- » **All-Inclusive Rate (AIR):** When Traditional Healer and Natural Helper services are provided by an IHCP that is eligible to receive the AIR and by a practitioner listed in [California's Medicaid State Plan](#) , the DMC-ODS county shall claim payment at the AIR.
 - This policy is in alignment with DHCS guidance on DMC-ODS county obligations to provide payment to IHCPs for the provision of DMC-ODS services outlined in [BHIN 22-053](#) and CMS' requirements as outlined in [Special Terms and Conditions 13.6](#).

Rates for Non-AIR Eligible Services

This chart outlines rates based on IHCP Contract Status with DMC-ODS county.

IHCP Contract status	Member's AI/AN Status	How non-AIR Rates Are Determined
IHCPs with a DMC-ODS County contract	AI/AN	Rates are determined based on negotiation between IHCP and DMC-ODS county.
	Non-AI/AN	
IHCPs without a DMC-ODS County contract	AI/AN	The rates the IHCP receives are not subject to negotiation. DMC-ODS counties must pay at the rate established by DHCS via the DMC-ODS fee schedule.
	Non-AI/AN	DMC-ODS selective contracting policy applies. Counties are not obligated to pay IHCPs for services provided to non-AI/AN members if they do not have a contract with the IHCP.

Rates for Services Ineligible for the AIR

- » **Traditional Healer** services ineligible for the AIR will be paid at an AIR equivalent rate.
 - AIR for SFY 2025-26: \$801.00
- » **Natural Helper** services ineligible for the AIR will be paid using an encounter rate (billed once per member per day), based on statewide average rate for DMC-ODS Peer Support Specialist Services.
 - Natural Helper encounter rate: \$335.37
- » **Group billing:** A Traditional Healer or Natural Helper service may include both individual and group services. When providing Traditional Healer or Natural Helper services in a group setting, the provider shall claim for one member in the group visit. Claims must contain the modifier HQ to distinguish group visits.

Service Limitations

- » **Same Day Claiming:** Traditional Healer and Natural Helper services can be billed on the same day as other covered Medi-Cal services.
 - For example, a member can receive a DMC-ODS Outpatient Treatment Service or a primary care visit on the same day as a Traditional Healer or Natural Helper service, and each of these encounters would be billable as long as they do not exceed any other applicable limits.
 - Note: A member may receive Traditional Healer and Natural Helper services on the same day, and both will be covered, as long as no other applicable limits are exceeded.

- » **Residential and Inpatient Setting:** DHCS will clarify coverage and payment policies for traditional health care practices for Medi-Cal members receiving residential or inpatient SUD treatment in forthcoming guidance.

Oversight, Monitoring, & Evaluation

IHCP Oversight and Monitoring

- » IHCPs will be monitored to ensure compliance with the requirements specified in this guidance and the DHCS-approved "opt-in package."
 - **IHCPs contracted with a DMC-ODS county:** The county is responsible for oversight and monitoring which can include compliance with basic program integrity requirements (for example, compliant claiming and service documentation) and other requirements outlined in the BHIN.
 - **IHCPs that do not have a contract with a DMC-ODS county:** DHCS is responsible for oversight and monitoring.
- » Neither DHCS nor DMC-ODS counties may determine whether a traditional health care practice is culturally or clinically appropriate for an individual Medi-Cal member. **This is an individualized determination made by the Traditional Healer or Natural Helper with oversight from the IHCP.**

Waiver Evaluation and Monitoring

- » **Under the terms of California's demonstration waiver, CMS will conduct ongoing monitoring of the state's implementation, and California must work with an independent evaluator to evaluate demonstration outcomes.**
 - DHCS will monitor data related to the delivery of traditional health care practices provided by IHCPs (e.g., number of participating IHCPs; number of members served), as required by CMS.
 - Metrics are not intended to determine effectiveness of services or specific traditional practices.
 - Evaluation goals include examining whether the initiative increases access to culturally appropriate care for individuals served by IHCPs.
 - DHCS will coordinate closely with CMS, Tribes, Tribal partners and DMC-ODS counties to develop an approach to these requirements.

Technical Assistance

Technical Assistance

- » DHCS in consultation with tribal partners will provide technical assistance to support IHCPs and counties. TA will be provided through written materials and webinars.
- » DHCS will be working with the following partners to develop, facilitate, and disseminate TA:
 - California Consortium for Urban Indian Health (CCUIH)
 - California Rural Indian Health Board (CRIHB)
 - Kauffman and Associates Inc. (KAI)
- » **TA will be available at no additional costs to interested IHCP's seeking to provide services by Traditional Healers and Natural Helpers.**
- » **Please send TA topics of interest to TraditionalHealing@dhcs.ca.gov**

Questions?

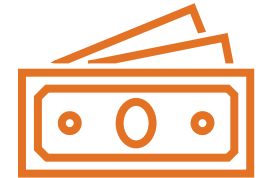
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Appendix

How is Medicaid Financed?

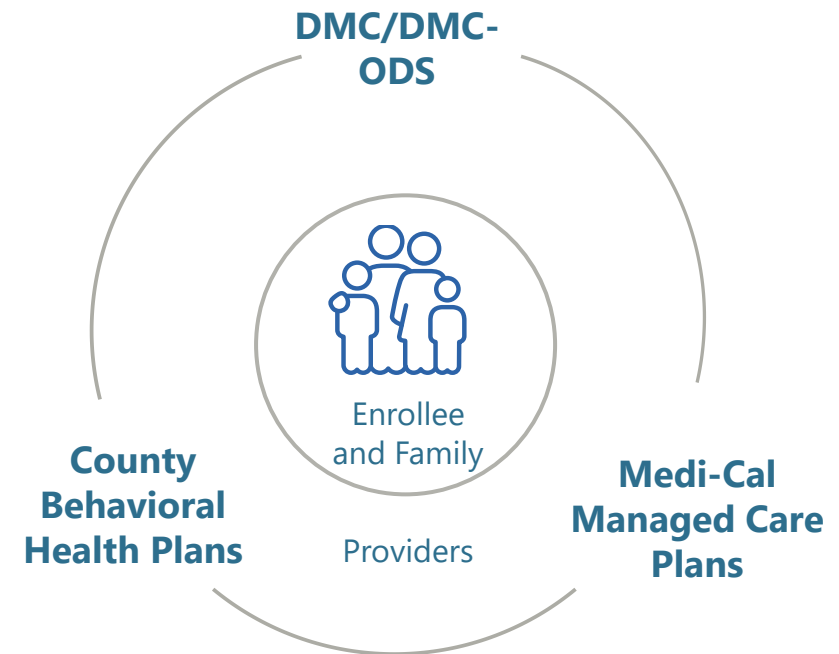
- » For every dollar a state spends on Medicaid, **the federal government provides matching funds called Federal Financial Participation (FFP)**
- » Matching funds are available for direct services, enrolling and monitoring providers, eligibility determinations, and paying claims
- » FFP is based on a formula called **the Federal Medical Assistance Percentage (FMAP)**



Medi-Cal BH Services

The **primary systems** of care for Medi-Cal members with behavioral health conditions today are:

- 1) Medi-Cal Managed Care Plans / DHCS Fee-For-Service
- 2) County Behavioral Health Plans
 - Specialty Mental Health Services (SMHS)
 - Drug Medi-Cal (DMC) / Drug Medi-Cal Organized Delivery System (DMC-ODS)



Key Responsibilities for Medi-Cal BH Services

Federal

Centers for Medicare & Medicaid Services (CMS)

Sets standards for Medicaid programs, provides regulatory oversight, and approves requests for waivers and state plan amendments.

Provides federal financial participation (FFP) to match eligible state/local expenditures (Medicaid matching funds).

State

California Department of Health Care Services (DHCS)

Provides oversight and monitoring of Medi-Cal program.

Contracts with counties to administer SMHS and DMC/DMC-ODS programs.

Processes county claims for FFP and required non-federal share.

County

County Behavioral Health Plan (BHP)

Contracts with state to administer SMHS and DMC or DMC-ODS through a managed care structure for eligible beneficiaries.

Contracts with providers to deliver services.

Covers required non-federal share of Medi-Cal costs with dedicated tax revenues and other eligible funds.

Medicaid Oversight: CMS

The Centers for Medicare and Medicaid Services (CMS) administers Medicaid and other federal health care programs and services.

Sets standards for Medicaid programs, provides regulatory oversight, and approves requests for waivers and state plan amendments.

Provides federal financial participation (FFP) to match eligible state/local expenditures (Medicaid matching funds).

Medi-Cal Administrator: DHCS

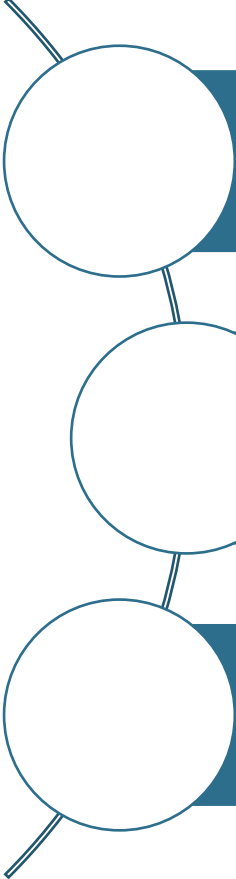
The **California Department of Health Care Services (DHCS)** is the single state agency responsible for oversight of the Medi-Cal program.

Sets program standards and provides oversight and monitoring of Medi-Cal program.

Contracts with Medi-Cal MCPs to administer Medi-Cal services and with counties to administer services carved out of MCP responsibilities.

Processes county claims for FFP and required non-federal share.

DMC-ODS Overview



DMC-ODS pilot authorized by CMS in 2015 under California's Medicaid Section 1115 waiver.

The pilot was successful, and California transitioned to a consolidated 1915(b) "managed care" waiver and coverage authority of current DMC-ODS benefits to the State Plan.

As of January 2025, 40 counties participate in DMC-ODS. 96% of Californians live in a county that has voluntarily implemented DMC-ODS.

Drug Medi-Cal Organized Delivery System (DMC-ODS) Goals

Enhance the continuum of SUD services and expand access to (and Federal Medicaid reimbursement for) services

Utilize the American Society of Addiction Medicine (ASAM) Criteria to ensure that members are receiving the most appropriate level of care

Increase coordination with mental health and primary care to ensure integrated care

Require providers to deliver care utilizing Evidence Based Practices (EBPs)

Expand workforce capacity by allowing licensed practitioners of the healing arts (LPHAs) to determine medical necessity and to direct treatment plans

Serve as a managed care plan for SUD treatment services

Overview of IHCPs

There are an array of Indian Health Care Providers (IHCPs) within California offering health care services to meet the needs of diverse populations with varying needs.

In California, there are:

57 Indian Health Service Memorandum of Agreement (IHS-MOA) 638 clinics

Butte, Colusa, Del Norte, Fresno, Humboldt, Imperial, Kings, Lassen, Madera, Mendocino, Modoc, Plumas, Riverside, San Bernardino, San Diego, Shasta, Siskiyou, Sutter, Tehama

72 Tribal Federally Qualified Health Centers (FQHCs)

Amador, Butte, Calaveras, El Dorado, Glen, Humboldt, Inyo, Lake, Mariposa, Modoc, Mono, Nevada, Placer, Riverside, San Bernardino, San Diego, Santa Barbara, Shasta, Sonoma, Tehama, Tuolumne, Yolo

Of the 17 enrolled UIOs, 15 are FQHCs and 2 are not FQHCs.

17 Urban Indian Organizations (UIOs)

Alameda, Fresno, Los Angeles, Sacramento, San Francisco, San Diego, Santa Barbara, Santa Clara

2 IHS Youth Regional Treatment Centers

Yolo, Riverside

Types of IHCPs

In California, “IHCPs” are defined as health care programs operated by the IHS (“IHS facility”), an Indian Tribe, a Tribal Organization, or an Urban Indian Organization (UIO).

- » **IHS Facilities** – Facilities and/or health care programs administered and staffed by the federal Indian Health Service.
- » **Tribal 638 Providers** – Federally recognized Tribes or Tribal organizations that contract or compact with IHS to plan, conduct and administer one or more individual programs, functions, services or activities under Public Law 93-638. Can be enrolled as:
 - Indian Health Services Memorandum of Agreement (IHS/MOA) provider
 - Tribal FQHCs
- » **UIOs** – A nonprofit corporate body situated in an urban center, governed by an urban Indian controlled board of directors, and providing for the maximum participation of all interested Indian groups and individuals
 - In CA, UIOs can be community health centers, FQHCs, or residential treatment facilities.

County Reimbursement Obligations for IHCPs

DMC-ODS counties must observe differing reimbursement obligations for care provided to American Indian and Alaska Native (AI/AN) and non-AI/AN individuals, per federal requirements outlined in 42 CFR 438.14.

- » **AI/AN Individuals:** DMC-ODS counties must reimburse an IHCP that meets DMC-ODS participation requirements for covered DMC-ODS services provided to AI/AN individuals in accordance with reimbursement requirements outlined in [BHIN 22-053](#), whether or not they have a current contract with the IHCP.
- » **Non-AI/AN Individuals:** DMC-ODS counties are not obligated to reimburse IHCPs for services provided to non-AI/AN individuals they do not have contracts with. DMC-ODS counties may choose to contract with IHCPs for the care of non-AI/AN individuals. If so, IHCP reimbursement obligations outlined in [BHIN 22-053](#) apply.
- » Consistent with existing policy, IHCPs serving Medi-Cal members from varying counties need to seek reimbursement from the member's Medi-Cal "county of responsibility." Coverage of traditional healing and natural helper services is available when the member is from a DMC-ODS county.

Claiming for Traditional Healer and Natural Helper Services

- » Each service has a designated code designed to pay the bundled costs of a single member visit billed once per day.
- » All IHCPs (regardless of AIR eligibility) delivering Traditional Healer or Natural Helper services shall bill the following HCPCS codes:
 - **Traditional Healer:** HCPCS H0051
 - **Natural Helper:** HCPCS T1016

HCPCS (the Healthcare Common Procedure Coding System) is a national, uniform coding structure developed by CMS to standardize the codes used to process claims for Medicare, Medicaid (including Medi-Cal) and other health insurers.