

February 26, 2016

Dear Tribal Leader:

On February 26, 2016, the Centers for Medicaid and CHIP Services (CMCS) issued a State Health Official (SHO) letter informing state Medicaid agencies and other state health officials about an update in payment policy for services received by Medicaid-eligible individuals who are American Indian and Alaska Native (AI/AN) through facilities of the Indian Health Service (IHS), whether operated by the IHS or by Tribes.

This national policy has Tribal implications for IHS and Tribal facilities that provide services to AI/AN Medicaid beneficiaries. For those reasons, CMS held several Tribal Consultations and solicited comments on the parameters of a reinterpretation of section 1905(b) of the Social Security Act as specified in CMS' October 2015 Medicaid Services 'Received Through' and Indian Health Service/Tribal Facility: A Request for Comment." We received 182 comments from 91 commenters including Tribes, Tribal organizations, urban Indian organizations, States, and other stakeholders in support of this proposed policy change.

The SHO letter outlines CMS' updated payment policy regarding the availability of the 100 percent Federal Medical Assistance Percentage (FMAP) for services "received through" an IHS/Tribal facility. As explained in the SHO letter, a service will be considered to be "received through" an IHS/Tribal facility for purposes of 100 percent FMAP to the extent that the IHS/Tribal facility is authorized to provide the service and the service is covered under the approved Medicaid state plan. That is, 100 percent FMAP will be available for services that are either furnished directly by the facility to a Medicaid-eligible AI/AN patient or by a non-IHS/Tribal provider when certain conditions are met. Specifically, when the service is provided at the request of an IHS/tribal facility practitioner on behalf of his or her patient and the patient remains in the Tribal facility practitioner's care in accordance with a written care coordination arrangement. This policy is intended to help states, IHS, and Tribes improve the delivery of care to AI/AN Medicaid beneficiaries by increasing access and strengthening continuity of care.

A copy of the SHO letter is attached and can also be downloaded at <http://www.medicare.gov/federal-policy-guidance/federal-policy-guidance.html>. CMCS will be holding an All Tribes' Call to walk through the policy and provide time for questions and answers. We will send out a Save the Date notice for the All Tribes' Call, and information about the All Tribes' Call will be posted on go.cms.gov/AIAN.

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Should you have any questions regarding this letter, please contact Kitty Marx, Director, Division of Tribal Affairs, CMCS at kitty.marx@cms.hhs.gov.

Sincerely,

/s/

Vikki Wachino
Director