



# COMMONWEALTH of VIRGINIA

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DIRECTOR

## *Department of Medical Assistance Services*

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February 18, 2025

SUBJECT: Notice of Opportunity for Tribal Comment – State Plan Amendment related to Tribal Provider Reimbursement.

Dear Tribal Leader and Indian Health Programs:

On December 20, 2024, the Department of Medical Assistance Services (DMAS) sent you a letter providing you notice about a State Plan Amendment (SPA) that DMAS will file with the Centers for Medicare and Medicaid Services (CMS) to make changes to tribal provider reimbursement. In that letter, DMAS indicated that the tribal comment period for this SPA would be open through February 18, 2025.

This letter serves as notification that the tribal comment period is being extended through April 25, 2025.

The changes that DMAS will make in the SPA remain the same. Specifically, the SPA will make the following changes to tribal provider reimbursement:

- Clarify that tribal clinics cannot be reimbursed at the facility rate (all-inclusive rate, or AIR) for non-clinic services, including pharmacy, dental, transportation, and 1915(c) waiver services such as personal care.
- Clarify that tribal FQHCs cannot be reimbursed at the AIR for pharmacy, transportation, and 1915(c) waiver services. Dental services provided by Tribal FQHCs are reimbursed through the Alternative Payment Methodology (APM) established in the Medicaid State Plan at Att. 4.19-B, pages 4.6-4.7.
- Clarify the definition of the per visit rate for purposes of reimbursement at the AIR, specifying that it is a bundled, all-inclusive encounter rate and must not be unbundled and billed as separate encounter claims.
- Specify that an Indian Health Service, tribal or urban Indian organization, including a Tribal 638 facility that operates a retail pharmacy, must enroll separately as a pharmacy provider, and

that payment for pharmacy services shall align with an existing pharmacy payment methodology and shall not be at the AIR. Drugs provided as part of an outpatient clinic visit are included in the all-inclusive rate for the encounter.

The SPA will also make a change needed to reflect new federal requirements for Medicaid reimbursement to tribal clinics, clarifying that these services include:

- professional services furnished at the clinic by or under the direction of a physician, or
- services furnished outside the clinic, by clinic personnel under the direction of a physician.

The changes in this SPA will impact Medicaid members and providers, including tribal members and providers. Therefore, we encourage you to let us know if you have any comments or questions. As noted above, the tribal comment period for this SPA is open through April 25, 2025. You may submit your comments directly to Meredith Lee, DMAS Policy Division, by phone(804) 371-0552, or via email: Meredith.Lee@dmas.virginia.gov. Finally, if you prefer regular mail you may send your comments or questions to:

Virginia Department of Medical Assistance Services  
Attn: Meredith Lee  
600 East Broad Street  
Richmond, VA 23219

Please forward this information to any interested party.

Sincerely,



Cheryl J. Roberts, JD  
Director