

Medicaid Services Manual  
Transmittal Letter

January 28, 2025

To: Custodians of Medicaid Services Manual

From: Casey Angres  
Chief of Division Compliance

Subject: Medicaid Services Manual Changes  
Chapter 3000- Indian Health Program

**Background And Explanation**

Revisions to Medicaid Services Manual (MSM) Chapter 3000 – Indian Health Program are being proposed to address the reimbursement methodology for pharmacy services for Tribal Health Clinics (THC) operating under the Indian Self-Determination and Education Act of 1975 (PL 93-638). These changes will allow THCs to receive one encounter per prescription filled and will not be limited to a certain number of prescriptions per day.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: The proposed changes affect Medicaid-enrolled THCs operating under the PL 93-638 delivering pharmacy services. The only provider type (PT) this would impact is Indian Health Programs and Tribal Clinics (PT 47).

Financial Impact on Local Government: No financial impact is currently anticipated for local government.

These changes are effective February 1, 2025, pending Centers for Medicare and Medicaid Services (CMS) approval of the State Plan Amendment (SPA).

Material Transmitted	Material Superseded
MTL OL Chapter 3000-Indian Health Program	MTL 12/20 Chapter 3000-Indian Health Program

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
3003.1	Health Services	To revise the pharmacy services reimbursement methodology for tribal health clinics.

<b>DRAFT</b>	<b>MTL <del>12/200L</del></b>
DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 3003
MEDICAID SERVICES MANUAL	Subject: POLICY

3003 POLICY

It is the policy of DHCFP to follow State and Federal laws, uphold the tribal-state consultation process, and promote IHP.

3003.1 HEALTH SERVICES

A. DHCFP reimburses IHSs, Tribal organizations and Tribal Federally Qualified Health Centers (FQHCs) at an outpatient encounter rate.

1. Encounter visits are limited to healthcare professionals as approved under the Nevada Medicaid State Plan. Each healthcare professional is considered an independent (i.e., separate) outpatient encounter.
2. Service Limits: Eligible Indians may receive up to five face-to-face IHS and/or Tribal Organization outpatient encounter/visits per day, per recipient, any provider **with the exception of pharmacy services.**
3. **Pharmacy Services: IHSs and Tribal 638 pharmacies will receive one encounter paid per prescription filled and will not be limited to a certain number of prescriptions per day. Pharmacies reimbursed using the all-inclusive rate will not be eligible for a dispensing fee.**
- ~~1.4.~~ Medical Necessity: In order to receive reimbursement, all services must be medically necessary as defined in the MSM, Chapter 100 – Medicaid Program.
- ~~2.5.~~ Tribes or Tribal organizations that choose to be recognized as a Tribal FQHC may receive reimbursement for services furnished by an enrolled Medicaid non-IHS/Tribal provider to AI/AN Medicaid recipient’s when requested by a Tribal FQHC provider (refer to CMS SHO #16-002). Covered services include those in the Medicaid State Plan.
  - a. The Tribal FQHC and the offsite non-IHS/Tribal provider must have a written agreement in place that designates that the non-IHS/Tribal provider is a contractual agent furnishing services as part of the Tribal FQHC.
  - b. The written agreement between the non-IHS/Tribal provider and the Tribal FQHC provider must include:
    1. The Tribal FQHC provider makes a specific request for specific services to the non-IHS/Tribal provider;
    2. The non-IHS/Tribal provider must send information about the recipients care to the Tribal FQHC;