



## OFFICE OF THE GOVERNOR

**OCT 06 2021**

To the Members of the California State Senate:

I am returning Senate Bill 365 without my signature.

SB 365 would require an "e-consult" provided by an enrolled Medi-Cal provider, including a Federally Qualified Health Center (FQHC) and Rural Health Clinics (RHC) to be reimbursed under Medi-Cal.

Current Medi-Cal reimbursement policy allows for a health care provider to bill for an e-consult when the benefits or services delivered meet the procedural definition and components of the Current Procedural Terminology (CPT) code set and requirements in the Department of Health Care Services (DHCS) Medi-Cal provider manual.

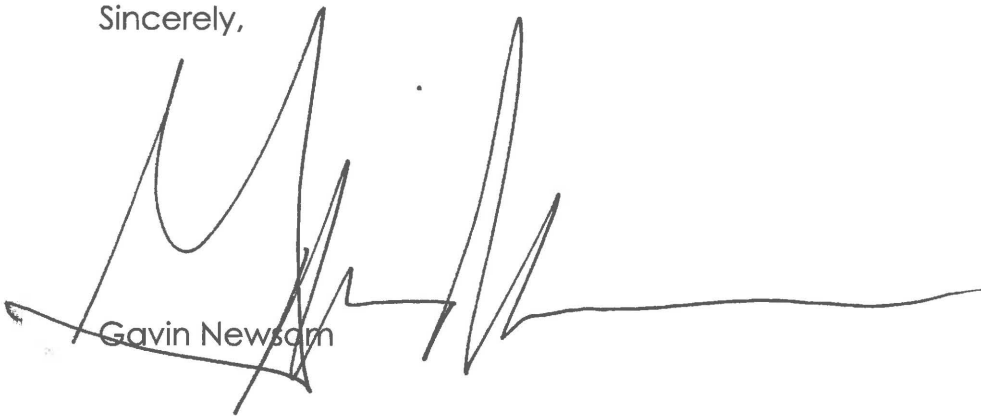
SB 365's definition of e-consult services is inconsistent with federal law, which explicitly states that reimbursement for visits in FQHCs and RHCs is only permitted between a FQHC and RHC billable provider and a patient. Moreover, the Centers for Medicare and Medicaid Services has communicated to DHCS that e-consult services are not separately reimbursable to FQHCs and RHCs because a patient is not included during the encounter. As a result, the state would not



be entitled to federal matching funds for e-consult services reimbursed separately to FQHCs and RHCs.

For these reasons, I am returning this bill without my signature.

Sincerely,



Gavin Newsom