State of California—Health and Human Services Agency
Department of Health Care Services

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Director

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DATE: December 16, 2008

MMCD Policy Letter 08-013

TO: ALL MEDI-CAL MANAGED CARE PLANS

SUBJECT: PHARMACY PRIOR AUTHORIZATION REQUESTS BY CALIFORNIA LICENSED PHARMACISTS

The purpose of this Policy Letter is to clarify contract language for all Medi-Cal Managed Care Plans (Plan(s)) regarding the allowable scope of practice of California licensed pharmacists performing pharmacy utilization management activities on behalf of Plans.

BACKGROUND:

The Medi-Cal Managed Care Division (MMCD) recently finalized COHS contracts containing the following language (Exhibit A, Attachment 5, Utilization Management, 2. Pre-Authorizations and Review Procedures):

Contractor shall ensure that its pre-authorization, concurrent review and retrospective review procedures meet the following minimum requirements:

A. *Qualified health care professionals supervise review decisions, including service reductions, and a qualified Physician will review all denials that are made, whole or in part, on the basis of medical necessity.* ***For purposes of this provision, the review of the denial of a pharmacy prior authorization may be by a qualified Physician or Contractor's Pharmacist.***

Plan contracts in other managed care models have similar language or indicate that a qualified physician will review all denials. MMCD and the Department of Health Care Services (DHCS) Office of Legal Services have determined that the language above and similar language in the other Plan contracts is overly restrictive based upon applicable law.

POLICY:

In accord with applicable State law (Health and Safety Code Section 1367.01(c) and (e), Welfare and Institutions Code Section 14103.6, and Business and Professions Code Sections 4000 et seq.), the DHCS has determined that a licensed pharmacist may approve, defer, modify, approve as modified, or deny prior authorizations for pharmaceutical services, provided that such determinations are made under the auspices of and pursuant to criteria established by the Plan Medical Director, in collaboration with the Plan Pharmacy and Therapeutics Committee (PTC) or its equivalent.

Therefore, DHCS interprets current Plan contract language, when referring to Utilization Management, Pre-Authorizations and Review Procedures, to mean that a licensed pharmacist may approve, defer, approve as modified or deny requests for pharmacy services. Updated Plan contract language has been developed in accordance with the clarification set forth in this Policy Letter and will be included in forthcoming contract amendments.

If you have any questions regarding this Policy Letter, please contact your contract manager.

Sincerely,

Vanessa M. Baird, MPPA, Chief
Medi-Cal Managed Care Division