



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



EDMUND G. BROWN JR.  
GOVERNOR

March 27, 2014

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Centers for Medicare and Medicaid Services  
Division of Medicaid and Children's Health  
90 7<sup>th</sup> Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

Dear Dr. Nagle;

In response to changes requested by CMS on February 28<sup>th</sup>, the Department of Health Care Services' (DHCS) proposed State Plan Amendment (SPA) 14-013, "Benzodiazepines, Barbiturates and Smoking Cessation Agents" with a requested effective date of January 1, 2014, is enclosed for your review and approval. This SPA makes technical changes to ensure that California's state plan is consistent with federal law.

Effective January 1, 2014, section 2502 of the Affordable Care Act amended section 1927(d)(2) of the Social Security Act (the Act) by removing barbiturates, benzodiazepines, and agents used to promote smoking cessation from the list of drugs a state Medicaid program may exclude from coverage or otherwise restrict. It also added section 1927(d)(7) of the Act which explicitly prohibits states from excluding the following drugs, or their medical uses, from coverage: barbiturates, benzodiazepines, and agents when used to promote smoking cessation, including agents approved by the Food and Drug Administration under the over-the-counter (OTC) monograph process for purposes of promoting, and when used to promote, tobacco cessation .

On February 28, 2014, CMS informed states that, in light of the statute, even if they already cover these categories of drugs, states will need to remove any reference to benzodiazepines, barbiturates, and smoking cessation drugs from the list of drugs named in the state plan that can be excluded from coverage or restriction. SPA 14-013 makes these requested technical changes.

Dr. Gloria Nagle  
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Because the changes this SPA makes are technical in nature, and do not impact the benefit provided to Indian Health Programs and Urban Indian Organizations, no notice was provided.

If you have questions or need additional information, please contact Harry Hendrix, Chief, Pharmacy Benefits Division, at (916) 552-9500.

Sincerely,

Originally signed by Toby Douglas

Toby Douglas  
Director

Enclosures

cc: Tyler Sadwith  
California State Representative  
Centers for Medicare and Medicaid Services  
Division of Medicaid and Children's Health  
90 7<sup>th</sup> Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency California

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT  
DRUGS FOR THE **CATEGORICALLY NEEDY**

Citation (s)	Provision (s)
1927(d)(2) and 1935(d)(2)	<p><b>X (f) nonprescription drugs</b></p> <p>Some - as listed in the Over-The-Counter section of the Medi-Cal Contract Drug List</p> <p><a href="http://files.medi-cal.ca.gov/pubsdoco/manual/man_query.asp?wSearch=%28%23filename+drugscdl%2A%2Edoc+OR+%23filename+drugscdl%2A%2Ezip%29&amp;wFLogo=Contract+Drugs+List&amp;wFLogoH=52&amp;wFLogoW=516&amp;wAlt=Contract+Drugs+List&amp;wPath=N">http://files.medi-cal.ca.gov/pubsdoco/manual/man_query.asp?wSearch=%28%23filename+drugscdl%2A%2Edoc+OR+%23filename+drugscdl%2A%2Ezip%29&amp;wFLogo=Contract+Drugs+List&amp;wFLogoH=52&amp;wFLogoW=516&amp;wAlt=Contract+Drugs+List&amp;wPath=N</a></p>
	<p><input type="checkbox"/> (g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)</p>

TN No. 14-013  
Supersedes  
TN No. 13-001

Approval Date \_\_\_\_\_

Effective Date January 1, 2014

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency California

**MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT  
DRUGS FOR THE **MEDICALLY NEEDY****

Citation (s)	Provision (s)
1927(d)(2) and 1935(d)(2)	<p><input checked="" type="checkbox"/> <b>(f) nonprescription drugs</b></p> <p>Some - as listed in the Over-The-Counter section of the Medi-Cal Contract Drug List</p> <p><a href="http://files.medi-cal.ca.gov/pubsdoco/manual/man_query.asp?wSearch=%28%23filename+drugscdl%2A%2Edoc+OR+%23filename+drugscdl%2A%2Ezip%29&amp;wFLogo=Contract+Drugs+List&amp;wFLogoH=52&amp;wFLogoW=516&amp;wAlt=Contract+Drugs+List&amp;wPath=N">http://files.medi-cal.ca.gov/pubsdoco/manual/man_query.asp?wSearch=%28%23filename+drugscdl%2A%2Edoc+OR+%23filename+drugscdl%2A%2Ezip%29&amp;wFLogo=Contract+Drugs+List&amp;wFLogoH=52&amp;wFLogoW=516&amp;wAlt=Contract+Drugs+List&amp;wPath=N</a></p>
	<p><input type="checkbox"/> (g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)</p>

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