



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

MAR 08 2013

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

Dear Ms. Nagle:

The Department of Health Care Services' (DHCS) proposed State Plan Amendment (SPA) 13-001, "Covered Outpatient Drugs" with a requested effective date of January 1, 2013, is enclosed for your review and approval. This SPA makes changes to ensure California's Medicaid benefit is consistent with federal law.

Section 175 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) amended Section 1860D-2(e)(2)(A) of the Social Security Act to include barbiturates "used in the treatment of epilepsy, cancer, or a chronic mental health disorder" and benzodiazepines as categories of drugs Part D plans must cover, effective January 1, 2013.

Effective for dates of service on or after January 1, 2013, Medi-Cal will no longer cover, for full benefit dually-eligible individuals, barbiturates "used in the treatment of epilepsy, cancer, or a chronic mental health disorder" or benzodiazepines. Medi-Cal will continue to cover these drugs for non-dually-eligible beneficiaries.

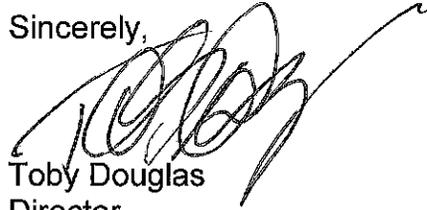
Indian Health Programs and Urban Indian Organizations were provided notification by way of a Tribal Organizational Summary detailing the provisions of this proposed SPA on January 28, 2013, and were given the opportunity to comment on this proposal prior to its submission. No comments were received.

Ms. Gloria Nagle  
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If you have questions or need additional information, please contact Harry Hendrix,  
Chief, Pharmacy Benefits Division, at (916) 552-9500 or by email at  
[harry.hendrix@dhcs.ca.gov](mailto:harry.hendrix@dhcs.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Toby Douglas', with a long, sweeping flourish extending to the right.

Toby Douglas  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**13-001**

2. STATE  
California

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2013

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 USC 1396r-8(d)(2)

7. FEDERAL BUDGET IMPACT:  
a. FFY (2012-2013-9 months)      \$4.5 million savings  
b. FFY (2013-2014)      \$6 million savings

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Supplement 2, Attachment 3.1.A.1, Page 3  
Supplement 2, Attachment 3.1.B.1, Page 3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):  
Supplement 2, Attachment 3.1.A.1, Page 3  
Supplement 2, Attachment 3.1.B.1, Page 3

10. SUBJECT OF AMENDMENT:

Amendments to conform to MIPPA provisions related to Medicaid outpatient drug coverage.

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
The Governor's Office does not  
wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:  
Toby Douglas

14. TITLE:  
Director

15. DATE SUBMITTED: MAR 08 2013

16. RETURN TO:

Department of Health Care Services  
Attn: State Plan Coordinator  
1501 Capitol Avenue, MS 4506  
P.O. Box 997413  
Sacramento, CA 95899-7413

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

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+dru gscdl%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+dru gscdl%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>
	<p><b>X (h) barbiturates (see specific drug categories below)</b> <u>All drugs in this category are potential benefits, subject to medical necessity. (Except for dual eligible individuals effective January 1, 2013 when used in the treatment of epilepsy, cancer or a chronic mental health disorder as Part D will cover those indications)</u></p>
	<p><b>X (i) benzodiazepines (see specific drug categories below)</b> <u>All drugs in this category are potential benefits, subject to medical necessity. (Except for dual eligible individuals effective January 1, 2013 as Part D will cover all indications.)</u></p>
	<p><b>X (j) Medi-Cal will provide coverage of prescription and over-the counter (OTC) smoking/tobacco cessation covered outpatient drugs for pregnant women as recommended in “Treating Tobacco Use and Dependence -2008 Update: A Clinical Practice Guideline” published by the Public Health Service in May 2008 or any subsequent modification of such guideline. (Except for dual eligible individuals as Part D will cover these drugs.)</b></p>

TN No. 13-001  
Supersedes  
TN No. 11-003

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

Effective Date: January 1, 2013

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