STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814
(916) 445-1797

June 11, 1980

To: All County Welfare Directors

Letter No. 80-22

RESTRICTED DRUG PROGRAM

This is to advise you of a change in the scope of the beneficiary restricted drug program. These changes will take effect July 1980.

Background

Currently, certain Medi-Cal beneficiaries who are determined to have a high drug utilization pattern are placed on restricted drug status. In order to obtain Medi-Cal reimbursement for prescription durgs or medical supplies, providers are required to obtain a Treatment Authorization Request (TAR) through the state's Medi-Cal consutants for these services.

This process, although effective, has a major drawback in that all drugs and medical supplies billed on the drug claim form require a TAR, not just the drugs being overutilized. The potential for delay resulting from the requirement that a TAR be obtained for such drugs as nitroglycerin or insulin could have a disastrous effect on the beneficiary. In addition, with the number of beneficiaries placed on restriction, workload of the pharmacies and Medi-Cal consultants has been increasing.

Therefore, it has been decided that two levels of restriction are necessary. The first level will require a TAR for all drugs and medical supplies, as with the present system. Persons in this level of restriction will continue to receive cards coded "R1". The new level or restriction, which will become effective July 1980, will apply to contolled drugs (Schedules I through V) only. All other formulary drugs will not require a TAR. All nonformulary drugs will continue to require a TAR. This new level of restriction will be identified on the face of the Medi-Cal card as "RESTRICTED SCHED. DRUG" and on the label as "R5". Also, the "R5" code will appear on the Limited Service Status Register (LSSR).

The Department intends to reevaluate all recipients currently coded "R1" to determine if they should be reclassified to the "R5" restriction level. Current "R1" restricted recipients who meet the criteria for the "R5" level of restriction will be reclassified automatically beginning in July 1980. The Department will send an informational notice (attached) to all recipients affected by this change. This notice explains the new level of restriction and its effect on access to prescription drugs. In addition, in the near future,a bulletin describing the above will be sent to all Medi-Cal providers.

Required County Action

County staff responsible for the issuance of Medi-Cal cards should be advised of this change. When the LSSR indicates the new "R5" restriction, the card should be appropriately coded. Section 14, Page A-6, and Section 19A of the Medi-Cal Eligibility Manual is being revised to include instructions for the new code.

If you have any questions, please contact your Medi-Cal field representative.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Field Representatives

Expiration Date: December 31, 1980

IMPORTANT INFORMATION

For You and Your Pharmacist

You may want to take this notice with you to your pharmacy to avoid confusion or delay in receiving your prescriptions.

As you are aware, you have been placed on restricted status for some nonemergency prescription drugs you receive through the Medi-Cal program. You will receive a special red Medi-Cal identification card which states "REST. SCHED. DRUGS" on it.

- This *does not* mean that you can no longer receive prescription drugs with your Medi-Cal card.
- This *does* mean that some of the prescriptions you receive through Medi-Cal must have "Prior Authorization".
- Prior authorization is approval in advance by a State Medi-Cal consultant for all scheduled prescription drugs which will be billed to Medi-Cal.
- Your pharmacist or prescriber must obtain the prior authorization for you. Should the Medi-Cal consultant determine that the prescription is not necessary for your medical condition, your doctor or pharmacist can submit additional justification for the drug(s) in question to the Medi-Cal consultant by phone.
- You should not call the Medi-Cal consultant yourself as prior authorization will *not* be given to you directly.
- This does not limit the other services you may receive through Medi-Cal. Doctors, dentists, hospitals or other Medi-Cal providers are not affected and should use your Restricted card to bill Medi-Cal in the same manner that they bill with regular Medi-Cal cards.

PHARMACIST INFORMATION

This Medi-Cal beneficiary has been placed on "Restricted Drug" status for Scheduled Drugs *only*. This means that you or the prescriber must obtain prior authorization from a Medi-Cal consultant prior to dispensing any Scheduled Drugs if you plan to bill Medi-Cal. Nonscheduled drugs such as Insulin or Nitroglycerine, etc., do *not* need TARS.

- Persons on "Scheduled Drug" status are not automatically limited as to the type and/or amount of scheduled prescription drugs they may receive. However, the consultants may make the determination that a specific service is not necessary.

We regret any inconvenience that this may cause you. However, it has been determined that this process is in the best interest of the beneficiary. We appreciate your cooperation in this matter.

Should you have any questions, you should consult your *Medi-Cal Provider Manual for Drug Claims,* Section 4, or call the California Department of Health Services, Beneficiary Utilization Review Unit at (916) 920-7117 (you may call collect).