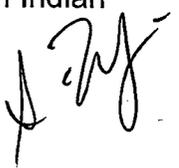




Department of Health Care Services
MEMORANDUM

DATE: February 1, 2013

TO: Tribal Chairpersons, California Indian Health Programs and Urban Indian Organizations

FROM: Sandra "Sam" Willburn, Chief, Primary and Rural Health Division 

SUBJECT: Revised: Notice of Proposed Change to the Medi-Cal Program

The purpose of this memo is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment (SPA), waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

SPA 13-001 Outpatient Drug Coverage for Persons with Medicare and Medi-Cal:

This revised notice corrects and amends the Tribal and Designee notice sent on January 28, 2013 that inadvertently misrepresented federal law by not correctly referencing when Medicare Part D would cover these drugs. SPA 13-001 will amend the California State Plan to remove (1) barbiturates used in the treatment of epilepsy, cancer, or a chronic mental health disorder, and (2) benzodiazepines as drugs Medi-Cal will cover for people who have Medicare and Medi-Cal. This change will bring California's state plan into conformity with federal law. Please see the enclosed revised summary of SPA 13-001 for a detailed description and contact information for questions or comments.

QUESTIONS AND COMMENTS:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this SPA within 30 days from the receipt of this notice. Comments or feedback may be sent by mail or email to the address below:

Contact Information:

Pharmacy Benefits Division, MS 4604
Department of Health Care Services
1501 Capitol Avenue, Suite 71.5131
PO Box 997413
Sacramento, CA 95899-7413
Attention: Teresa Miller
teresa.miller@dhcs.ca.gov

Notice of Proposed Change to the Medi-Cal Program
Page 2
February 1, 2013

In addition to this notice, DHCS plans to cover this SPA in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

Revised

**Department of Health Care Services (DHCS)
Pharmacy Benefits Division
State Plan Amendment (SPA) 13-001
Outpatient Drug Coverage for Persons with Medicare and Medi-Cal**

Background

This revised notice corrects and amends the Tribal and Designee notice sent on January 28, 2013 that inadvertently misrepresented federal law by not correctly referencing when Medicare Part D would cover these drugs. Federal laws changed to require Medicare Part D plans to cover (1) barbiturates when used for the treatment of epilepsy, cancer, or a chronic mental health disorder and (2) benzodiazepines (typically used for the treatment of anxiety) as of January 1, 2013. Therefore, Medi-Cal will no longer cover these drugs for people who have both Medicare and Medi-Cal effective January 1, 2013.

Individuals who are covered by both Medicare and Medi-Cal are also known as dual eligibles. Dual eligibles have most of their prescription drugs covered by Medicare Part D, not Medi-Cal. There are some categories of drugs Medicare Part D does not cover that Medi-Cal will continue to cover.

Description of SPA and Effective Date

DHCS will be submitting a SPA no later than March 31, 2013. This SPA will remove (1) barbiturates used in the treatment of epilepsy, cancer, or a chronic mental health disorder, and (2) benzodiazepines as drugs Medi-Cal will cover for people who have Medicare and Medi-Cal. This change will bring California's state plan into conformity with federal law.

Dual eligibles will still be able to get drugs from Medi-Cal that are in the following categories:

- Medications used for anorexia, weight loss, or weight gain;
- Prescription medications when used for the symptomatic relief of cough and colds (Medi-Cal does not cover over-the-counter (OTC) cough and cold products);
- Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations;
- Select non-prescription (OTC) drugs.

Impact to Indian Health Programs and Urban Indian Organizations

Impact on Indian Health Programs

Indian Health Programs will be minimally impacted, since these drugs will still be covered, but will be covered by Medicare instead of Medi-Cal.

Impact on Indian Medi-Cal Beneficiaries

The only Indian Medi-Cal beneficiaries, who will be impacted are those who are covered by both Medi-Cal and Medicare and are currently taking barbiturates for the treatment of epilepsy, cancer, or a chronic mental health disorder or are taking benzodiazepines.

Revised

These individuals will need to get these medications from their Medicare Part D plan, rather than Medi-Cal effective January 1, 2013.

Response Date:

Indian Health Programs and Urban Indian Organizations may submit written comments or questions concerning this SPA within 30 days from receipt of this notice. Comments may be sent by email to teresa.miller@dhcs.ca.gov or by mail to the address below:

Department of Health Care Services
Pharmacy Benefits Division
1501 Capitol Avenue, MS 4604
PO Box 997413
Sacramento, CA 95899-7413
Attention: Teresa Miller