



Department of Health Care Services  
**MEMORANDUM**

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**DATE:** June 29, 2018

**TO:** Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

**FROM:** Original Signed By Sandra "Sam" Willburn, Chief,  
Primary, Rural, and Indian Health Division

**SUBJECT:** 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, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to [paul.pontrelli@dhcs.ca.gov](mailto:paul.pontrelli@dhcs.ca.gov) or by mail to the address below:

**Contact Information**

Department of Health Care Services  
Pharmacy Benefits Division  
ATTN: Paul Pontrelli  
MS 4604  
PO Box 997413  
Sacramento, CA 95899-7413

Please note that Indian Health Programs and Urban Indian Organizations may also request a consultation on this proposal at any time as needed.

Enclosure

**Department of Health Care Services (DHCS)  
Tribal and Designees of Indian Health Programs Notice**

**PURPOSE**

DHCS proposes to submit State Plan Amendment (SPA) 18-0039 to the Centers for Medicare and Medicaid Services to seek approval to add specified pharmacist services as a Medi-Cal benefit.

**BACKGROUND**

Assembly Bill (AB) 1114<sup>1</sup> added Section 14132.968 to California's Welfare and Institutions Code and stipulates that specified pharmacist services, when provided by an enrolled Medi-Cal pharmacy provider and consistent with California law, are covered Medi-Cal benefits. The specific pharmacist services include independently furnishing the following types of medications: self-administered hormonal contraception, nicotine replacement therapy, travel medications, and the opioid antagonist naloxone; initiating and administering immunizations and providing tobacco cessation counseling. The new law requires that the payment rate for these pharmacist services be 85 percent of the fee schedule for physician services under the Medi-Cal program and authorizes the department to implement these provisions by means of provider bulletins or similar instructions, subject to federal approval.

**SUMMARY OF PROPOSED CHANGES**

DHCS plans to submit SPA 18-0039 by August 31, 2018 with a proposed effective date of October 1, 2018. This SPA will:

- Add pharmacist services as a covered Medi-Cal benefit, subject to DHCS protocols and utilization controls.
- Establish the payment rate for pharmacist services as 85 percent of the physician fee schedule.
- Require that pharmacists enroll as ordering, referring, or prescribing providers under Medi-Cal prior to rendering a pharmacist service.
- Require that a claim for payment of pharmacist services may only be submitted by a Medi-Cal enrolled pharmacy provider.

**IMPACT TO TRIBAL HEALTH PROGRAMS**

Pharmacist services are not reimbursable at the all-inclusive rate by tribal health programs. Tribal health programs that operate a retail pharmacy separately enrolled in Medi-Cal may see an increase in Medi-Cal beneficiaries accessing pharmacist services, which could result in an increase in the time spent with beneficiaries who need the services associated with this benefit.

<sup>1</sup> Assembly Bill 1114, Chapter 602 (Eggman, Statutes of 2016)

**IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)**

Pharmacist services may be included as a scope of service within the FQHC's Prospective Payment System (PPS) rate. When included, pharmacist services are not separately billable by the FQHC. If the services are not included in the PPS rate calculation, pharmacist services would be a benefit as defined in the California State Plan for a separately enrolled retail pharmacy provider at the FQHC location. Those FQHC's whose PPS rate does not include pharmacy services may experience an increase in Medi-Cal beneficiaries accessing pharmacist services within their pharmacies. Pharmacy programs and organizations may also experience an increase in the time spent with beneficiaries who need the services associated with this benefit.

**IMPACT TO INDIAN MEDI-CAL BENEFICIARIES**

Eligible Indian Medi-Cal beneficiaries will be able to receive pharmacist services as a covered Medi-Cal benefit.

**RESPONSE DATE**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to [paul.pontrelli@dhcs.ca.gov](mailto:paul.pontrelli@dhcs.ca.gov) or by mail to the address below:

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