

**Department of Health Care Services
Proposed Trailer Bill Legislation**

**Aligning Record Retention Requirements for Pharmacy Providers in the Medi-Cal
Program with Federal Law**

FACT SHEET

Issue Title: Aligning Record Retention Requirements for Pharmacy Providers in the Medi-Cal Program with Federal Law. The Department of Health Care Services (DHCS) seeks to align state law with the ten-year record retention requirements for Medi-Cal pharmacy providers in federal law.

Background: Existing law requires Medi-Cal pharmacy providers to maintain records for three years for auditing purposes (Welfare and Institutions Code (WIC) Section 14170.8); however, this requirement is inconsistent with federal and state law governing the Medi-Cal program, which requires providers to maintain records for ten years (Title 42, Code of Federal Regulations Section 438.3 and WIC Sections 14124.1 and 14149.8).

Justification for the Change: DHCS seeks to amend the record retention requirements for Medi-Cal pharmacy providers in state law from three to ten years in order to align with federal and state law requirements for all Medi-Cal providers. This change will clarify that Medi-Cal pharmacy providers must comply with existing record retention requirements in federal law and assure that DHCS auditing activities can be implemented compliant with federal law and consistently across the Medi-Cal program.

Summary of Arguments in Support:

- The proposal aligns state law with federal law regarding Medi-Cal pharmacy provider record retention requirements.