

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

Eliminate Specific Optional Benefits

FACT SHEET

Issue Title: Eliminate Certain Optional Benefits. This proposal would eliminate certain optional benefits from Medi-Cal coverage, except for mandatory populations and settings. The elimination would take effect no sooner than July 1, 2020, subject to federal approval.

Background: Assembly Bill (AB)X3 5 (Evans, Chapter 20, Statutes of 2009) eliminated Medi-Cal coverage of several optional benefits, including audiology, optometry, podiatry, psychology, speech therapy, acupuncture, chiropractic services, optician and optical laboratory services, incontinence creams and washes, and dental services. AB 82, (Committee on Budget, Chapter 23, Statutes of 2013), partially restored dental services for individuals 21 years of age and older, subject to utilization controls. Senate Bill (SB) 78, (Committee on Budget and Fiscal Review, Chapter 38, Statutes of 2019) restored the optional benefits for podiatric services, audiology services, speech therapy, optician and optical services, and incontinence creams and washes as Medi-Cal benefits for all populations, effective January 1, 2020, through July 1, 2023 unless extended further by subsequent action, as proposed in Governor's Budget in January 2020. The bill also expanded screening, brief intervention and referral to treatment services for alcohol to include opioid and other drugs. Under the Budget provisions, the prior restrictions on these services would be reinstated on January 1, 2022, if certain state budget requirements are not met during the May 2021 budget process.

Services by a licensed pharmacist as a provider type were established as benefit in 2018 following passage of AB 1114 (Eggman, Chapter 602, Statutes of 2016). Services include independently furnishing already covered medications such as self-administered hormonal contraception, nicotine replacement therapy, travel medications, and the opioid antagonist naloxone, initiating and administering immunizations and providing tobacco cessation counseling. All other pharmacist services, as authorized by law and included the Medicaid State Plan, are not included in this proposal.

The Multipurpose Senior Services Program (MSSP) Waiver provides Home and Community-Based Services (HCBS) to Medi-Cal eligible individuals who are 65 years or older and disabled as an alternative to nursing facility placement. The MSSP waiver allows the individuals to remain safely in their homes. To be eligible, beneficiaries must require the nursing facility level of care, be 65 or older, reside in a county with an MSSP site, and be enrolled in one HCBS waiver

at a time. MSSP is limited to 12,000 beneficiaries. The waiver was last renewed July 1, 2019.

Community-Based Adult Services (CBAS) became effective on April 1, 2012, under the California Bridge to Health Care Reform waiver. It replaced Adult Day Health Care services, which were an optional benefit under Medi-Cal. CBAS offers services to eligible older adults and/or adults with disabilities to restore or maintain their optimal capacity for self-care and delay or prevent inappropriate or personally undesirable institutionalization. CBAS is a Medi-Cal Managed Care benefit available to eligible Medi-Cal beneficiaries enrolled in Medi-Cal Managed Care, although beneficiaries ineligible to enroll in Medi-Cal managed care may receive CBAS if found eligible through the Los Angeles Medi-Cal Field Office or its designee.

The Diabetes Prevention Program (DPP) was established by SB 97 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2017), and is designed to assist Medi-Cal beneficiaries in preventing or delaying the onset of type 2 diabetes.

Justification for the Change:

This proposal would eliminate or modify optional services under Medi-Cal, including:

- Dental (to the partial restoration levels of 2014);
- Audiology services;
- Speech therapy services;
- Optometric and optician/optical lab services;
- Podiatric services;
- Incontinence cream and washes;
- Acupuncture services;
- Nurse anesthetist services;
- Occupational therapy services;
- Physical therapy services;
- Pharmacist services;
- CBAS;
- MSSP services; and
- Diabetes Prevention Program (DPP).
- Screening, Brief Intervention and Referral to Treatment for Opioids and Other Drugs

In addition, DHCS will work with the Department of Finance to verify that any changes made by this section would not jeopardize receipt of any temporary increase in the Federal Medical Assistance Percentage made available through the federal Families First Coronavirus Response Act, or any similar federal increase subsequently made available.

These eliminations are needed to address the state's budget deficit. These proposals will reduce the number of covered Medi-Cal benefits and will therefore reduce Medi-Cal expenditures.

Estimate Issues and Titles: Regular PC 48. Expansion to Screening for Additional Substances; **Regular PC 256.** Optional Adult Dental Partial Elimination; **Regular PC 257.** Discontinue Adult Optional Benefits; **Regular PC 38.** Multipurpose Senior Services Program-CDA; **Regular PC 95.** CCI-Managed Care Payments; **Regular PC 46.** Diabetes Prevention Program; and **Regular PC 51.** Pharmacist-Delivered Medi-Cal Services

Additional information.

Future managed care capitation rates will be adjusted to reflect the elimination of these benefits.

This proposal to eliminate or modify the Medi-Cal optional benefits will not apply to beneficiaries under the Early and Periodic Screening, Diagnostic and Treatment benefit; beneficiaries receiving long-term care in a nursing facility; beneficiaries receiving pregnancy-related services and services for the treatment of other conditions that might complicate the pregnancy; emergency services; medical and surgical services provided by a doctor of dental medicine or dental surgery; otherwise excluded optional benefits included within the scope of federally qualified health center services or rural health clinic services; or to any other beneficiaries as required under federal law, or as identified by DHCS for purposes of maximizing federal financial participation.