

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

Restoration of Adult Over-the-Counter Cough/Cold and Acetaminophen Drug Benefit

FACT SHEET

Issue Title: Restoration of Adult Over-the-Counter Cough/Cold and Acetaminophen Drug Benefit. The Department of Health Care Services (DHCS) proposes to reinstate over-the-counter (OTC) adult acetaminophen and cough/cold products as covered Medi-Cal benefits effective July 1, 2021.

Background: National guidelines and clinically-based evidence suggest that non-opioid treatments, including non-opioid medications such as acetaminophen, can provide significant relief to those suffering from chronic pain, and are safer alternatives. The federal Centers for Disease Control and Prevention finds that acetaminophen should be a first line option for the treatment of mild to moderate pain. Further, the use of acetaminophen in the treatment of pain is recommended by the National Safety Council, the American College of Rheumatology and the American College of Obstetricians and Gynecologists.

For many years, the Medi-Cal program covered most OTC drugs as inexpensive alternatives to prescription drugs. However, as a result of the state's budget crisis, coverage of adult acetaminophen in 2010 and adult OTC cough and cold products in 2011 were eliminated as covered benefits. Coverage of these products were temporarily reinstated effective March 1, 2020 as part of the state's COVID-19 State Plan Amendment (SPA) 20-0024.

Most Medi-Cal managed care plans (MCPs) have chosen to cover these products as inexpensive alternatives to prescription drugs. However, pursuant to the Governor's Executive Order N-01-19, all pharmacy benefits will transition to Medi-Cal FFS, known as Medi-Cal Rx, effective January 1, 2021. Therefore, if coverage of these products is not restored, access to them, post transition to Medi-Cal Rx, will cease.

Justification for the Change: In order for all Medi-Cal beneficiaries, both in FFS and managed care to continue to have access to these medications during the first six months of 2021, the Department is implementing a multi-faceted transition policy for Medi-Cal Rx that includes no prior authorization for existing prescriptions for the first 180 days. This transition policy, combined with the provisions contained in the existing COVID-19 SPA, will help facilitate a smooth transition to July 1, 2021, when this change would take effect.

If these products are not reinstated as a benefit, beneficiaries will not have access to these OTC alternatives and those currently receiving them from their respective MCPs will experience a coverage gap as they transition to the new Medi-Cal Rx pharmacy benefit.

Summary of Arguments in Support:

- Aligns the new Medi-Cal Rx benefit more closely to what MCP members currently receive in order to prevent transition to more expensive prescription drugs, and doing so in a manner that is clinically sound..
- Provides safer and equally effective medication alternatives available through the Medi-Cal program.
- Increased use of non-opioid medication alternatives may decrease the number and frequency of costlier medical visits.
- Reduces the costs to the state resulting from less costly products being utilized as well as decreased need to provide opioid dependency-related treatments.

Estimate Issue # and Title: PC 269. OTC Adult Acetaminophen & Cough/Cold Products