



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

October 29, 2020

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

Subject: Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter 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.

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 Angeli.Lee@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Director's Office
ATTN: Angeli Lee
MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

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and Urban Indian Organizations

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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.

Sincerely,

Original Signed By

Sandra "Sam" Willburn, Chief
Primary, Rural, and Indian Health Division
Department of Health Care Services

Enclosure



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

PURPOSE

The Department of Health Care Services (DHCS) proposes to submit a State Plan Amendment (SPA) to the federal Centers for Medicare and Medicaid Services (CMS) in order to make the state plan consistent with recent pharmacy related changes to California law.

BACKGROUND

California's 2020 Budget Trailer Bill eliminated the monthly six prescription limit, as well as the one dollar (\$1) per prescription (or refill) copayment for Medi-Cal beneficiaries, effective January 1, 2021. SPA 20-0039 proposes to make California's state plan consistent with state law, by removing reference to both of these provisions.

The *monthly six prescription limit* was established in the Fee-For Service (FFS) delivery system in 1994 with the intent to address inappropriate overuse of prescribed drugs. Experience has shown that despite the prescription limit's original intent, the majority of cases of it being implemented have resulted in a tremendous administrative burden for providers and DHCS, rather than the hoped for significant reduction in inappropriate overuse of prescribed drugs.

The *one dollar (\$1) copayment for prescriptions and refills* has been in place since the beginning of the Medi-Cal program. However, W&I Code section 14134(a) clearly states that 1) the copayment may be collected and retained, or waived by the provider and 2) the department shall not reduce the reimbursement otherwise due to providers. In other words, if a pharmacy provider chooses to collect the copayment, they can keep it, however, most providers do not collect copayments from beneficiaries.

SUMMARY OF PROPOSED CHANGES

SPA 20-0039 proposes to (1) remove mention of the monthly six prescription limit, (2) remove mention of the \$1 per prescription (or refill) copayment and makes other minor, non-substantive changes.

IMPACT TO TRIBAL HEALTH PROGRAMS

DHCS anticipates that because prescriptions dispensed to Medi-Cal beneficiaries by pharmacies on behalf of tribal health programs will no longer be subjected to a monthly six prescription limit or \$1 copayment, access to medications should improve. Tribal health programs with Medi-Cal enrolled retail pharmacies will benefit from administrative relief as a result of the removal of monthly prescription limits and copays.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHC)

DHCS anticipates that because prescriptions dispensed to Medi-Cal beneficiaries by pharmacies on behalf of FQHCs will no longer be subjected to a monthly six prescription limit or \$1 copayment, access to medications should improve. Medi-Cal



enrolled retail pharmacies operated by FQHCs will benefit from administrative relief as a result of the removal of monthly prescription limits and copays.

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

Indian Medi-Cal beneficiaries will experience improved access to outpatient prescription drugs as a result of this proposal.

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 Angeli.Lee@dhcs.ca.gov or by mail to the address below:

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