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ACTING DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

November 14, 2019

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

Tribal Chairpersons, Designees of Indian Health Programs
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 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 State Plan Amendment (SPA) 19-0049 to the federal Centers for Medicare and Medicaid Services (CMS) in order to meet new federal requirements designed to reduce opioid-related fraud, misuse and abuse. These requirements are outlined in section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act).

BACKGROUND

Federal law¹ requires each state to develop a drug utilization review (DUR) program that is targeted, in part, at reducing clinical abuse and misuse of prescription drugs covered under the State's Medicaid Program. The SUPPORT Act added new requirements designed to combat the opioid crisis by reducing opioid abuse and misuse.

The Center for Medicare and Medicaid Services (CMS) issued an informational bulletin on August 5, 2019², providing states with detailed guidance on implementation of these new requirements, including the requirement that states submit a SPA to CMS for review and approval, confirming compliance with the SUPPORT Act requirements, with an effective date of October 1, 2019.

SUMMARY OF PROPOSED CHANGES

SPA 19-0049 proposes to add language to the state plan that specifically addresses the following SUPPORT Act DUR requirements:

Claims Review

- Pharmacy providers will be notified prospectively (prior to dispensing) when:
 - Opioid prescriptions may be clinically inappropriate (examples include the number of days supplied are too many, the prescription is being refilled too early, the prescription is a duplication of an existing prescription, or it exceeds established quantity limits.
 - The amount of opioid prescribed on a daily basis exceeds established limits.

- Retrospectively (after the fact) claims will be reviewed to:
 - Identify those that exceed established limits on an ongoing basis.
 - Examine trends and patterns in the prescribing of opioids together with benzodiazepines or antipsychotics.

¹ Section 1927(g) of the Social Security Act (the Act)

² The August 5, 2019 Informational Bulletin can be accessed at the following link:
<https://www.medicaid.gov/federal-policy-guidance/downloads/cib080519-1004.pdf>



Programs to monitor antipsychotic medications given to children

- Antipsychotic medications given to children, including foster children, will be reviewed to assure they are being prescribed appropriately (based on approved indications and clinical guidelines).

Fraud and Abuse Identification

- Document that the DUR program has an established process that identifies potential fraud or abuse of controlled substances by enrolled individuals, health care providers and pharmacies.

IMPACT TO TRIBAL HEALTH PROGRAMS

Pharmacies that dispense prescriptions to Medi-Cal beneficiaries on behalf of tribal health programs will receive, and be expected to comply with, the same “before dispensing” alerts and after the fact claims review that all other Medi-Cal pharmacy providers will receive related to opioid, antipsychotic and controlled substance prescriptions.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

Pharmacies within FQHCs that dispense prescriptions to Medi-Cal beneficiaries will receive, and be expected to comply with, the same “before dispensing” alerts and after the fact claims review that all other Medi-Cal pharmacy providers will receive related to opioid, antipsychotic and controlled substance prescriptions.

IMPACT TO INDIAN MEDI-CAL BENEFICIARIES

Medi-Cal beneficiaries may experience decreased access to opioid prescriptions if the number of days supplied are too many, the prescription is being refilled too early, the prescription is a duplication of an existing prescription, or it exceeds established quantity or daily dosage limits.

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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