



California
Department of
Health Services

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Director

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



ARNOLD SCHWARZENEGGER
Governor

DATE: November 18, 2005

MMCD ALL PLAN LETTER 05009

TO: ALL MEDI-CAL MANAGED CARE HEALTH PLANS WITH THE
EXCEPTION OF PACE

SUBJECT: CARVE OUT OF ERECTILE DYSFUNCTION DRUGS

On October 20, 2005, President Bush signed into law federal legislation (HR 3971) that in relevant part eliminates Medicaid payment for drugs used for the treatment of sexual or erectile dysfunction, unless such drug is used to treat a condition other than sexual or erectile dysfunction, and is used as approved by the Food and Drug Administration. This law takes effect on January 1, 2006 (and January 1, 2007 for the Medicare Program).

Pursuant to HR 3971, the State of California Medicaid program (Medi-Cal) will no longer cover drugs used for the treatment of sexual or erectile dysfunction, unless such drug is used to treat a condition other than sexual or erectile dysfunction, and as approved by the Food and Drug Administration. Utilization controls shall become effective January 1, 2006, and the carve out applies to beneficiaries of both the Medi-Cal Fee-For-Service (FFS) and the Medi-Cal Managed Care programs.

As you may recall, pursuant to Governor Schwarzenegger's directive, the California Department of Health Services (CDHS) issued an ALL PLAN LETTER (APL 05007) on June 13, 2005, informing Medi-Cal managed care health plans that effective immediately, the State will not provide reimbursement for drugs or other therapies used to treat erectile dysfunction (ED) of known registered sex offenders. Additionally, on October 4, 2005, the governor signed AB 522 into law, which had the same prohibitions. The CDHS implemented AB 522 by carving out drugs and other therapies used to treat ED out of the scope of services for all managed care health plans, except for PACE health plans. In addition, the Medi-Cal fee for service program implemented a verification process via the Treatment Authorization Request (TAR) approval process to ensure that known sex offenders are excluded from receiving, and denied coverage for ED drugs and other therapies for erectile dysfunction. These measures took effect November 1, 2005.

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Plans were notified of the following list of ED drugs that would no longer be capitated. This list is illustrative and subject to change.

Alprostadil (Edex, Muse, Caverject)	HICL 00177
Papaverine	HICL 00170
Phentolamine Mesylate (Regitine)	HICL 02100
Sildenafil Citrate (Viagra)	HICL 18084
Tadalafil (Cialis)	HICL 24859
Vardenafil HCL (Levitra)	HICL 25035
Yohimbine HCL	HICL 12784
Yohimbine HCL/Strychnine (Thybine)	HICL 01540
Yohimbine HCL/Zinc Sulfate (Yohimar Duopack)	HICL 09607

Now, however, due to the passage of the new federal statute, as of January 1, 2006, the carve out and instructions pursuant to AB 522 provided in the June 05 policy letter will no longer be applicable. Instead, the CDHS is carving out from the Medi-Cal program, including FFS, all drugs used to treat sexual or erectile dysfunction, unless used to treat a condition other than sexual or erectile dysfunction, as approved by the Food and Drug Administration, except for PACE health plans.

If you have questions, please contact Vivian Auble, Chief, Plan Management Branch, at (916) 449-5000.

Sincerely,


Vanessa M. Baird, MPPA, Chief