DEPARTMENT OF HEALTH CARE SERVICES
NOTICE OF GENERAL PUBLIC INTEREST

RELEASE DATE: OCTOBER 26, 2020

PROPOSED STATE PLAN AMENDMENT TO ELIMINATE MEDI-CAL ONE DOLLAR COPAYMENT FOR OUTPATIENT DRUGS AND MONTHLY SIX PRESCRIPTION LIMIT

This notice provides information of public interest regarding a proposed State Plan Amendment (SPA) by the Department of Health Care Services (DHCS). The proposed SPA will eliminate the current one-dollar co-pay for covered outpatient drugs and the monthly limit of six outpatient drug prescriptions per beneficiary without prior authorization. DHCS requests input from beneficiaries, providers, and other interested stakeholders concerning the proposed SPA #20-0039, which is attached.

DHCS estimates that the annual aggregate Medi-Cal expenditures associated with this proposal will be budget neutral.

The effective date of the proposed SPA is January 1, 2021. All proposed SPAs are subject to approval by the Federal Centers for Medicare and Medicaid Services (CMS).

PUBLIC REVIEW AND COMMENTS

The proposed changes included in draft SPA #20-0039 are enclosed in this notice for public comment. DHCS is requesting stakeholder input on the impact, if any, on access to services as a result of the proposed action.

Upon submission to CMS, a copy of the proposed SPA #20-0039 will be published at the following internet address:

https://www.dhcs.ca.gov/formsandpubs/laws/Pages/PendingStatePlanAmendments.aspx.

If you would like to view the SPA in person once it becomes available, please visit your local county welfare department. You may also request a copy of proposed SPA #20-0039 or a copy of submitted public comments related to SPA #20-0039 by requesting it in writing to the mailing or email addresses listed below. Please indicate SPA #20-0039 in the subject line or message.

Written comments may be sent to the following address:

Department of Health Care Services
Pharmacy Benefits Division
Attn: Teresa Miller

P.O. Box 997413, MS 4604
Sacramento, California 95899-7417

Comments may also be emailed to PublicInput@dhcs.ca.gov. Please indicate SPA #20-0039 in the subject line or message.

To be assured consideration prior to submission of the SPA to CMS, comments must be received no later than December 1, 2020. Please note that comments will continue to be accepted after December 1, but DHCS may not be able to consider those comments prior to the initial submission of SPA #20-0039 to CMS.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: California

A. The following charges are imposed on the categorically needy for services other than those provided under Section 1905(a)(1) through (5) and (7) of the Act:

Service	Type of Charge Deduct. Coins. Copay.	Amount of Basis for Determination
Clinic	X	$1 per visit
Surgical center	X	$1 per visit
Optometric	X	$1 per outpatient visit
Chiropractic	X	$1 per outpatient visit
Psychology	X	$1 per outpatient visit
Podiatric	X	$1 per outpatient visit
Occupational therapy	X	$1 per outpatient visit
Physical therapy	X	$1 per outpatient visit
Speech therapy	X	$1 per outpatient visit
Audiology	X	$1 per outpatient visit
Acupuncture	X	$1 per outpatient visit
Dental	X	$1 per outpatient dental visit
Nonemergency services in an emergency room	X	$5 per visit (average payment for nonemergency services in an emergency room is greater than $50) All other amounts besides nonemergency services in an emergency room that meet the definition of nominal.

Exceptions:

1. Any service for which the State payment is $10 or less.
2. Any family planning service.
3. Any service provided to a person under age 19.
4. Any service furnished to a pregnant women, if the service relates to the pregnancy or to any other medical condition which may complicate the pregnancy, including counseling and pharmacotherapy for cessation of tobacco use.
5. Any service provided to an individual who is an inpatient in a hospital, long-term care facility or other medical institution who is required to spend all but a minimal amount of his income required for personal needs towards the cost of care.
6. Any children under 21 living in boarding homes or institutions for foster care.
7. Any individual who is currently or has previously used services provided by an Indian Health Service, an Indian Tribe, Tribal Organization, or Urban Indian Organization (I/T/U) in any state and any American Indian/Alaskan Native that have received services through referral under contract health services.
8. Any preventive services and vaccines in accordance with the Affordable Care Act Section 4106.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: California

A. The following charges are imposed on the medically needy for services:

Service	Type of Charge Deduct.	Coins.	Copay.	Amount of Basis for Determination
Physician			X	$1 per visit
Clinic/Outpatient			X	$1 per visit
Surgical center			X	$1 per visit
Optometric			X	$1 per outpatient visit
Chiropractic			X	$1 per outpatient visit
Psychology			X	$1 per outpatient visit
Podiatric			X	$1 per outpatient visit
Occupational therapy			X	$1 per outpatient visit
Physical therapy			X	$1 per outpatient visit
Speech therapy			X	$1 per outpatient visit
Audiology			X	$1 per outpatient visit
Acupuncture			X	$1 per outpatient visit
Dental			X	$1 per outpatient dental visit
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency _____California_____

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT DRUGS FOR THE **CATEGORICALLY NEEDY**

Citation (s)		Provision (s)
1927(d)(2) and 1935(d)(2)	**X**	**(f) nonprescription drugs** Some - as listed in the Over-The-Counter section of the Medi-Cal Contract Drug List, which can be found at www.medi-calrx.dhcs.ca.gov
	☐	(g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency California

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT DRUGS FOR THE **MEDICALLY NEEDY**

Citation (s)	Provision (s)	
1927(d)(2) and 1935(d)(2)	X	**(f) nonprescription drugs** Some - as listed in the Over-The-Counter section of the Medi-Cal Contract Drug List, which can be found at www.medi-calrx.dhcs.ca.gov
	☐	(g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)

	TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
12a	Pharmaceutical services and prescribed drugs	Covered when prescribed by a licensed practitioner. Drugs for the treatment of hospital inpatients are covered as encompassed in the formulary of the hospital. Drugs administered for chronic outpatient hemodialysis in renal dialysis centers and community hemodialysis units are covered, but payable only when included in the all-inclusive rate.	Prior authorization is not required for drugs listed on the Contract Drug List (CDL), except that certain drugs on the CDL are subject to prior authorization unless used as specified therein. Except for hospital inpatients, prescriptions shall not exceed a 100-calendar-day supply. Hospital inpatient drugs, as encompassed in the formulary of the hospital, do not require prior authorization. Hospital discharge medications may not exceed a ten-day supply. Certain drugs on the CDL are subject to minimum or maximum dispensing quantities. Drugs not on the CDL are subject to prior authorization, except that certain drugs are excluded from Medi-Cal program coverage. .

*****Prior authorization is not required for emergency service.
******Coverage is limited to medically necessary services.

	TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
12a	Pharmaceutical services and prescribed drugs	Covered when prescribed by a licensed practitioner. Drugs for the treatment of hospital inpatients are covered as encompassed in the formulary of the hospital. Drugs administered for chronic outpatient hemodialysis in renal dialysis centers and community hemodialysis units are covered, but payable only when included in the all-inclusive rate.	Prior authorization is not required for drugs listed on the Contract Drug List (CDL), except that certain drugs on the CDL are subject to prior authorization unless used as specified therein. Except for hospital inpatients, prescriptions shall not exceed a 100-calendar-day supply. Hospital inpatient drugs, as encompassed in the formulary of the hospital, do not require prior authorization. Hospital discharge medications may not exceed a ten-day supply. Certain drugs on the CDL are subject to minimum or maximum dispensing quantities. Drugs not on the CDL are subject to prior authorization, except that certain drugs are excluded from Medi-Cal program coverage. .

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