

# **Tribal and Designee Medi-Cal Advisory Process Webinar on Proposed Changes to the Medi-Cal Program**

December 1, 2025

# Welcome and Webinar Logistics

## **Dos & Don'ts of Teams**

- » Everyone will be automatically muted upon entry
- » Use the Q&A or Chat feature to submit comments or questions
- » Please use the Chat feature for any technical issues related to the webinar

# Feedback Guidance for Participants

- » **Q&A or Chat Box.** Please feel free to utilize either option to submit feedback or questions during the meeting.
- » **Spoken.**
  - Please use the Teams chat function to raise your hand. Once your hand is recognized by the event organizer, unmute your line to speak. DHCS will take comments or questions first from Tribal leaders and then all others in the room and on the webinar.
- » **If you logged on via phone-only.** Press “\*5” to raise or lower hand. Press “\*6” on your phone to unmute your line once recognized by the event organizer.

# Agenda

- » Welcome and Purpose
- » Overview of State Plan and State Plan Amendments (SPAs)
- » SPA Scheduled for Submission to CMS by December 31, 2025
  - » 25-0029 - Coverage Change for GLP-1 for Weight Loss
    - » Addendum released on November 26, 2025
  - » 25-0041 - Reinstatement of Electronic Asset Verification Program (AVP)
  - » 25-0043 and 25-0044 - Removal of Sunset Date for Medication-Assisted Treatment (MAT) Services & Alternative Benefit Plan (ABP) Alignment SPA adding school-linked services (SLS)
- » Closing and Feedback

# Purpose

- » The Department of Health Care Services (DHCS) is hosting this webinar regarding proposed changes to the Medi-Cal Program. This webinar will provide information and allow for feedback on State Plan Amendments (SPA) and Waiver Renewals/Amendments proposed for submission to Centers for Medicare and Medicaid Services (CMS).
- » Background: Executive Orders recognize the unique relationship of Tribes with the federal government and emphasize the importance of States to work with Tribes on matters that may impact Indian health.
- » This webinar is one way for DHCS to provide information about the Medi-Cal program and get feedback verbally and in writing.

# Medicaid State Plan Overview

- » State Plan: The official contract between the state and federal government by which a state ensures compliance with federal Medicaid requirements to be eligible for federal funding.
- » The State Plan describes the nature and scope of Medicaid and gives assurance that it will be administered in accordance with the specific requirements of Title XIX of the Federal Social Security Act, Code of Federal Regulations, Chapter IV, and State law/regulations.
- » California's State Plan is over 1600 pages and can be accessed online at: <https://www.dhcs.ca.gov/formsandpubs/laws/Pages/CaliforniStatePlan.aspx>

# State Plan Amendment (SPA) Overview

- » SPA: Any formal change to the State Plan.
- » Approved State Plans and SPAs ensure the availability of federal funding for the state's program (Medi-Cal).
- » The CMS reviews all State Plans and SPAs for compliance with:
  - » -Federal Medicaid statutes and regulations
  - » -State Medicaid manual
  - » -Most current State Medicaid Directors' Letters, which serve as policy guidance.

# **SPA 25-0029 - Notice and Addendum**

## **Coverage Change for GLP-1 Weight Loss**

Victoria Tereschenko

Pharmacy Policy Chief

Pharmacy Benefits Division



# Background

- » Under California's Budget Act of 2025, in response to the rapid growth of Health and Human Services programs, the California Legislature authorized the use of General Fund solutions and statutory changes to align expenditures with available revenue.
  - These measures, including the elimination of glucagon-like peptide-1 agonists (GLP-1) medications for weight loss and weight-loss related indications, aim to maintain a balanced budget and control long-term costs.
  - Medi-Cal policy, in line with the 2025 Budget Act, will eliminate coverage of GLP-1 medications for weight loss and weight loss-related indications under Medi-Cal Rx, effective January 1, 2026.

# Background (Cont.)

- » GLP-1 medications will continue to be covered for other federal Food and Drug Administration (FDA)-approved clinical non-weight loss indications and based upon individual case-by-case determinations if medically necessary.
- » Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.
- » DHCS is required to submit a State Plan Amendment (SPA) to exclude coverage of GLP-1 medications under Medi-Cal Rx when used for weight loss and weight loss-related indications due to its current coverage status.
  - This proposed SPA-aligns with federal law, specifically Section 1927 of the Social Security Act (42 United States Code 1396r-8 (d)(2)), which allows limitations on coverage of certain drugs, including agents used for anorexia, weight loss, or weight gain.

# Purpose

- » Elimination of Glucagon-like peptide-1 agonist medications for weight loss and weight loss-related indications to maintain a balanced budget and control long-term costs.

# Summary of Proposed Changes

- » This SPA proposes to do the following:
  - Update page 2 in both Attachments 3.1 A and 3.1 B to exclude coverage of GLP-1 medications for weight loss and weight loss-related indications for all Medi-Cal members under Medi-Cal's fee-for-service pharmacy benefit (called Medi-Cal Rx).
- » This SPA would be effective January 1, 2026, subject to receipt of federal approvals from the Centers for Medicare and Medicaid Services.

# List of GLP-1 Medications

- » Effective January 1, 2026, the GLP-1 medications that will no longer be covered by Medi-Cal Rx for weight loss or weight loss-related indications include, but are not limited, to the following:
- Dulaglutide (Trulicity)
  - Exenatide (Byetta, Bydureon)
  - Liraglutide (Victoza, Saxenda)
  - Semaglutide (Ozempic, Wegovy, Rybelsus)
  - Tirzepatide (Mounjaro, Zepbound)

# Impact to Tribal Health Programs

- » Effective January 1, 2026, Medi-Cal Rx pharmacy claims for GLP-1 medications (listed on slide 12) that are indicated for weight loss will be denied.
- » Subject to utilization controls and medical necessity, Medi-Cal Rx will continue to cover GLP-1 medications when they are used for FDA-approved non-weight loss clinical indications, such as the following:
  - Type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease, consistent with the Medi-Cal Rx policy.
- » Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.

# Impact to Federally Qualified Health Centers (FQHCs)

- » Effective January 1, 2026, Medi-Cal Rx pharmacy claims for GLP-1 medications (listed on slide 12) that are indicated for weight loss will be denied.
- » Subject to utilization controls and medical necessity, Medi-Cal Rx will continue to cover GLP-1 medications when they are used for FDA-approved non-weight loss clinical indications, such as the following:
  - Type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease, consistent with the Medi-Cal Rx policy.
- » Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.

# Impact to American Indian Medi-Cal Members

- » Effective January 1, 2026, Medi-Cal Rx pharmacy claims for GLP-1 medications (listed on slide 12) that are indicated for weight loss will be denied.
- » Subject to utilization controls and medical necessity, Medi-Cal Rx will continue to cover GLP-1 medications when they are used for FDA-approved non-weight loss clinical indications, such as the following:
  - Type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease, consistent with the Medi-Cal Rx policy.
- » Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.



# Medi-Cal Member Notification

- » To promote greater awareness and help reduce member impact, DHCS mailed all Medi-Cal members a letter 60 days before the implementation date of January 1, 2026, which should have been received on or before November 1, 2025.
  - A copy of this letter is available on the Medi-Cal Rx webpage here: <https://medi-calrx.dhcs.ca.gov/member/>
- » The letter informs Medi-Cal members of the following:
  - The importance of talking to and working with their doctors to identify alternative strategies, including other medications and medical services, for helping to address weight-related concerns.

# Medi-Cal Member Notification (Cont.)

- » The letter informs Medi-Cal members of the following:
  - Medi-Cal members who receive a Notice of Action (NOA) denying coverage for GLP-1 drugs have the right to a State Hearing. Generally, Medi-Cal members have 90 days from the date of the NOA to submit a written request to the Department of Social Services (CDSS) for a State Hearing, as communicated in the State Hearing rights provided with the NOA. Medi-Cal members who are taking GLP-1 drugs on or before January 1, 2026, who request a State Hearing within 10 days of receiving an NOA denying continued coverage may continue to receive GLP-1 drugs pending a State Hearing decision until the earlier of:
    - The end of the period covered by their current PA; or
    - The date a State Hearing decision is rendered; or
    - The date on which the State Hearing is otherwise withdrawn or closed.
  - For more information, including on how to submit a State Hearing request, visit CDSS' webpage here: <https://www.cdss.ca.gov/hearing-requests>.

# Helpful Resources

- » [Medi-Cal Rx Main Webpage](#)
- » [Medi-Cal Rx Provider Portal](#)
- » [Medi-Cal Rx Member Portal](#)
- » [Medi-Cal Rx State Budget Policy Updates Webpage](#)
- » [Pharmacy Provider and Prescriber \(doctor, nurse, etc.\) Bulletins & News Articles](#)
- » [Medi-Cal Rx Subscription Service \(free\)](#)
- » [Medi-Cal Rx Contact Us Webpage](#)
- » Medi-Cal Rx Customer Service Center (CSC): For assistance, please call: 1(800) 977-2273
  - CSC Agents are available 24 hours a day, 7 days a week, 365 days per year.

# Contact Information

- » Department of Health Care Services  
Pharmacy Benefits Division  
ATTN: Pharmacy Policy Branch  
MS 4604  
P.O. Box 997413  
Sacramento, CA 95899-7413
- » Email DHCS at: [medi-cal.pharmacybenefits@dhcs.ca.gov](mailto:medi-cal.pharmacybenefits@dhcs.ca.gov)

# Feedback/Questions



# SPA 25-0041

## Reinstatement of Electronic Asset Verification Program (AVP)

Jim Lo

AGPA, Program Integrity Unit I

Medi-Cal Eligibility Division

# Background

- » [Federal](#) and [state law](#) require an electronic AVP (or Asset Verification System (AVS)) to detect unreported assets for Long-Term Care (LTC) and non-LTC Aged, Blind and Disabled (ABD) Non-Modified Adjusted Gross Income (Non-MAGI) Medi-Cal (MC) applicants, members, and their responsible relatives.
- » Assembly Bill (AB) 133 phased out assets for Non-MAGI MC programs:
  - Phase I: Increase asset limits to \$130,000 per person and \$65,000 for each additional person, up to 10 maximum (effective July 1, 2022).
  - Phase II: Eliminate asset limits (effective January 1, 2024).
- » AB 116 reinstates assets for impacted Non-MAGI MC programs to their Phase I limits effective January 1, 2026.

# Purpose

- » This SPA proposes to re-enter the requirements of California's AVP (or AVS), into the California State Plan to align with the reinstatement of asset limits for all impacted Non-MAGI Medi-Cal programs effective January 1, 2026.



# Summary of Proposed Changes

- » This SPA will re-enter language requiring the administration of an AVP/AVS into the State Plan. This language was stricken with the elimination of assets in January 2024\*.
  - *\*See 23-0030, which superseded 09-003.*
- » This SPA is related to 25-0037, Reinstatement of Asset Limits for Non-MAGI Programs, but 25-0041 will re-establish how DHCS intends to administer its electronic AVP/AVS.

# Impact to Tribal Health Programs

- » Indian Health Care Programs (IHCPs) may see a decline in patients resulting from these changes, and patient navigators will likely be asked to assist American Indian Medi-Cal members with understanding these changes.

# Impact to Federally Qualified Health Centers (FQHCs)

- » Federally Qualified Health Centers (FQHCs) may see a decline in patients resulting from these changes, and patient navigators will likely be asked to assist American Indian Medical members with understanding these changes.

# Impact to American Indian Medi-Cal Members

- » Impacted Non-MAGI American Indian Medi-Cal applicants, members, and their responsible relatives will participate in an electronic AVP/AVS to detect undisclosed asset(s) as part of their eligibility re/determination.
- » This new requirement currently excludes American Indian members enrolled in the Pickle, Disabled Adult Child (DAC), and Disabled Widow/er programs.

# Contact Information

- » Please email questions to [AVP@dhcs.ca.gov](mailto:AVP@dhcs.ca.gov).
- » For policy related questions about Asset Reinstatement please email questions to [MCED-Policy@dhcs.ca.gov](mailto:MCED-Policy@dhcs.ca.gov).

# Feedback/Questions



# **SPA 25-0043 and 25-0044**

## **Removal of Sunset Date for Medication-Assisted Treatment (MAT) Services & Alternative Benefit Plan (ABP) Alignment SPA adding school-linked services (SLS)**

Robert Martinez, Policy Analyst

Raquel Saunders, SSM II

Medi-Cal Behavioral Health – Policy Division in collaboration with the Benefits Division

# Background

- » DHCS is submitting SPA 25-0043 to align California's Medicaid State Plan with recent federal statutory changes.
- » Section 201 of the Consolidated Appropriations Act, 2024, amended Section 1905(a)(29) of the Social Security Act to make permanent the mandatory Medicaid benefit for MOUD.
- » The MOUD benefit has been in effect since October 1, 2020.
- » This SPA removes the sunset date of September 30, 2025, from California's Medicaid State Plan.



## Background Cont.

- » Pursuant to Welfare and Institutions Code Section 14132.02(a) and the Affordable Care Act, Section 2001, Medi-Cal implemented the Alternative Benefit Plan (ABP), or “benchmark” or “benchmark-equivalent,” medical coverage for newly eligible low-income adults with the same schedule of benefits provided to full-scope Medi-Cal members.
- » DHCS will also submit SPA 25-0044 to align the ABP for the new adult group with changes made by SPA 25-0043.

# Purpose

- » To seek federal approval to amend California's Medicaid State Plan to remove the sunset date (September 30, 2025) for Medication-Assisted Treatment (MAT).
- » This change aligns with Section 201 of the Consolidated Appropriations Act, 2024, which makes the Medicaid benefit for medications for opioid use disorder (MOUD) a permanent, mandatory benefit.
- » The amendment ensures continued coverage of MAT services under the Medi-Cal program.

# Summary of Proposed Changes

- » SPA 25-0043 and SPA 25-0044 propose to remove the September 30, 2025 sunset date from California's Medicaid State Plan for MAT services, in accordance with Section 201 of the Consolidated Appropriations Act, 2024, which makes the MOUD benefit permanent under federal law.
- » The proposed effective date for SPAs 25-0043 and 25-0044 is October 1, 2025.

# Impact to Tribal Health Programs

- » While these SPAs do not introduce changes to eligibility, provider types, or reimbursement methodologies for THPs, DHCS acknowledges that the permanent continuation of this benefit may result in increased utilization of MOUD services by tribal providers or members, which could have a financial impact for THPs that anticipated the benefit to sunset on September 30, 2025.
- » For example, THPs may need to adjust staffing, expand service capacity, or revise budget projections to accommodate sustained demand for MOUD services beyond the previously expected end date.

# Impact to Federally Qualified Health Centers (FQHCs)

- » While these SPAs do not propose changes to FQHC billing methodologies or provider types in California's Medicaid State Plan, DHCS recognizes that the permanent continuation of this benefit may lead to increased service delivery and associated costs or resource needs for FQHCs that serve tribal communities.
- » These impacts could include the need for additional clinical staff, expanded appointment availability, or adjustments to care coordination workflows.

# Impact to American Indian Medi-Cal Members

- » While the MOUD benefit itself is not new, its permanent status may guide care planning constructs and service availability for tribal members.
- » This could yield downstream financial or operational implications for tribal-serving providers, such as increased demand for culturally competent behavioral health services or expanded MAT program management.

# Contact Information

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# Feedback/Questions

