



Department of Health Care Services

MEMORANDUM

DATE: January 27, 2021

TO: Interested Parties

FROM: René Mollow, MSN, RN
Deputy Director
Health Care Benefits & Eligibility
Department of Health Care Services
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SUBJECT: Medi-Cal Specialty Disease Pharmacy Reimbursement Study (Survey)

The California Department of Health Care Services (DHCS)' is pleased to release the "Medi-Cal Specialty Disease Pharmacy Reimbursement Study (Survey)." DHCS engaged Mercer Government Human Services Consulting (Mercer), to research, survey and analyze specialty disease state drug reimbursement to Medi-Cal Fee-For-Service (FFS) pharmacy providers. The purpose of the Survey was to compare the National Average Drug Acquisition Cost (NADAC) price benchmark against Average Acquisition Cost (AAC) in California for a select group of specialty drugs. Additionally, the Survey captured information from the specialty pharmacy providers regarding specialized services provided to Medi-Cal beneficiaries in order to ensure adherence, compliance and to monitor positive and negative outcomes from the drug therapy.

In total, six unique drug therapy categories were surveyed which included drugs used to treat the following conditions:

- Severe Mental Illness (SMI)
- Human Immunodeficiency Virus (HIV)
- Autoimmune Diseases (AD)
- Cystic Fibrosis (CF)
- Multiple Sclerosis (MS)
- Hepatitis C (Hep C)

The drugs targeted in the Survey were chosen because they were identified to be at higher risk of access issues related to AAC based reimbursement. The drugs were identified through direct communications from Medi-Cal providers to DHCS, reports from the California Pharmacist Association (CPhA), or communications from Medi-Cal Managed Care Health Plans (MCPs), or other stakeholders. The Survey did not include pharmacy providers that were not identified as specialty providers.

DHCS will analyze the identified specialty services not otherwise reimbursable by Medi-Cal, and, in the coming months, will also engage pharmacy stakeholders and Medi-Cal

MCPs to further discuss and assess possible policy approaches and payment mechanisms.

If you have any questions about the Survey, please contact Harry Hendrix, Chief, Pharmacy Benefits Division, at (916) 345-8635 or via email at Harry.Hendrix@dhcs.ca.gov.

Attachment(s)