



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



GAVIN NEWSOM
GOVERNOR

December 10, 2020

Medi-Cal Eligibility Division Information Letter No.: I 20-38

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY WELFARE ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS

SUBJECT: MEDI-CAL RX: TRANSITION OF MEDI-CAL PHARMACY SERVICES
FROM MANAGED CARE TO FEE-FOR-SERVICE EFFECTIVE APRIL 1,
2021

On January 7, 2019, Governor Gavin Newsom issued [Executive Order \(EO\) N-01-19](#) for purposes of achieving cost-savings for drug purchases made by the state. A key component of EO N-01-19 requires the Department of Health Care Services (DHCS) to transition Medi-Cal pharmacy services from the managed care delivery system to the Fee-For-Service (FFS) delivery system, effective January 1, 2021. The Medi-Cal pharmacy benefits and services administered by DHCS in the FFS delivery system will be identified collectively as “Medi-Cal Rx”.

Given the ongoing challenges and constantly evolving health care landscape associated with the COVID-19 public health emergency, DHCS and its Medi-Cal Rx contractor, Magellan Medicaid Administration, Inc. (Magellan), has decided to lengthen the transition time to the full implementation of Medi-Cal Rx by three (3) months, until April 1, 2021. During this additional transition period, prescription drugs services will continue to be delivered under the current system for both FFS Medi-Cal beneficiaries and those served by Medi-Cal managed care plans (MCP). DHCS and Magellan will also use the extra time to communicate with and provide additional information to Medi-Cal MCPs and other interested stakeholders, including:

- Allowing Medi-Cal providers, MCPs, and other interested parties to register for the Medi-Cal Rx secure portals and participate in comprehensive trainings that ensure greater overall understanding of the project and support operational readiness for providers and MCPs.
- Standing up and fully mobilizing the Medi-Cal Rx Customer Service Center (CSC) well in advance of the full implementation date. Experts at the CSC will be able to field and answer questions from beneficiaries and providers, potentially preempting confusion and other potential problems once the transition occurs.

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The CSC provides guidance on claims processing, prior authorization of drugs, and more through the 24/7 support service for Medi-Cal providers, beneficiaries, MCPs, and other interested parties.

- Providing additional time for MCPs to interact with and build rapport with dedicated Medi-Cal Rx clinical liaisons, who will help Magellan build accurate and comprehensive MCP profiles to ensure that the individualized needs of the populations served by each MCP are met.
- Allowing DHCS and Magellan to roll out additional Medi-Cal Rx website and secure portal functionalities and tools in advance of the project launch, including, but not limited to, the new Medi-Cal Rx Pharmacy Locator, Medi-Cal Rx Provider Manual, and Contract Drug List.

Transitioning pharmacy services from the managed care delivery system to the FFS delivery system will, among other things:

- Standardize the Medi-Cal pharmacy benefit statewide, under one delivery system.
- Improve access to pharmacy services with a pharmacy network that includes approximately 96 percent of the state's pharmacies.
- Apply statewide utilization management protocols to all outpatient drugs.
- Strengthen California's ability to negotiate state supplemental drug rebates with drug manufacturers, thereby creating additional cost-savings for the state.

Medi-Cal Beneficiary Noticing and Outreach

DHCS, in partnership with Magellan, has conducted targeted outreach to Medi-Cal beneficiaries as part of DHCS' comprehensive communication campaign, which is intended to ensure Medi-Cal beneficiaries have the necessary information and access to helpful resources/tools to prepare them for a successful transition to Medi-Cal Rx on April 1, 2021. These noticing and outreach strategies include, but are not limited to:

- Mailing multiple notices from DHCS, in partnership with Magellan, to all Medi-Cal beneficiaries, regardless of delivery system, leading up to the transition on April 1, 2021. Please note, initial 90 and 60 day letters were sent to beneficiaries, starting back in September 2020, to inform them of Medi-Cal Rx.
- Mailing notices and conducting corresponding outreach campaigns from Medi-Cal MCPs to their respective beneficiaries, leading up to the transition on April 1, 2021. Please note, initial 90 and 60 day letters were sent to beneficiaries, starting back in September 2020, to inform them of Medi-Cal Rx.
- Releasing call center scripts, which have been provided by DHCS to all affected Client Service Coordinators (CSCs), including those within Medi-Cal MCPs, DHCS, Department of Managed Health Care (DMHC), California Department of Social Services (CDSS), and others to respond to potential questions resulting from the outreach notices. DHCS is also distributing these call center scripts to

local county social services offices, as a helpful aid in responding to beneficiary questions resulting from the notices, and for consistent messaging.

Medi-Cal Benefits Identification Cards and MCP Member Identification Cards

Under existing policy today, in the managed care delivery system, Medi-Cal Benefits Identification Cards (BICs) are used to verify member eligibility for carved-out services, and allow Medi-Cal providers to bill for any carved-out services rendered. For this reason, as part of the transition to Medi-Cal Rx on April 1, 2021, and in the same manner as for other carved-out benefits and services, DHCS has instructed Medi-Cal beneficiaries in the aforementioned written notices that they should carry their BIC with them, and have it available whenever they are going to the pharmacy.

NOTE: DHCS will not be summarily reissuing all Medi-Cal BICs as a result of the transition to Medi-Cal Rx. If a beneficiary is in need of a replacement BIC, they are to contact the county and follow the current process for replacing a lost or stolen BIC.

Once a Medi-Cal beneficiary is enrolled in a Medi-Cal MCP, they must always keep their MCP Member Identification (ID) Card and their Medi-Cal BIC with them. Medi-Cal beneficiaries should take both cards (MCP Member ID and BIC) to office visits, x-rays, pharmacies, and all other medical services.

Medi-Cal MCPs have been instructed to notify their members of the Medi-Cal Rx CSC phone number and website. This will be accomplished by updating MCP Member ID cards, as part of the corresponding mandatory update to the Member Handbook, sending out notices to their members, and including information in an Interactive Voice Response (IVR) system, or some combination of one or more of these options.

Potential for Increased Call Volume at Local County Social Services Offices

Due to DHCS' additional instruction to Medi-Cal MCPs regarding the required use of BICs in Medi-Cal Rx, and the extensive education and outreach campaign to Medi-Cal beneficiaries about Medi-Cal Rx, county offices may experience increased call volume related to requests for replacement BICs from MCP beneficiaries who may have lost or misplaced their BICs, or general questions related to Medi-Cal Rx when reaching out to the county on other program related matters.

Accordingly, to assist counties in navigating and responding to these calls, DHCS is providing the attached call script, which provides comprehensive information and should enable counties to answer any Medi-Cal Rx-related questions they may receive. We strongly encourage distribution of this information broadly to any entities that counties believe would benefit from having this information in their respective call centers.

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Please note that to the extent counties receive questions that are not addressed by the enclosed call script, DHCS recommends that such calls be referred as follows:

- Medi-Cal Member Help Line (1- 800-541-5555, TTY 1-800-430- 7077), Monday thru Friday, 8am to 5pm.
- Medi-Cal Rx Customer Service Center line (1-800-977-2273 twenty-four hours a day, seven days a week or 711 for TTY, Monday thru Friday, 8am to 5pm).

Note: Until January 2021, the Medi-Cal Rx Customer Service Center line will forward to the Medi-Cal Member Helpline. Starting in January 2021, the Medi-Cal Rx Customer Service Center will be fully staffed and ready to take calls.

For general project information, please visit the DHCS Medi-Cal Rx Transition [website](#). In addition, DHCS encourages stakeholders to review the Medi-Cal Rx [Frequently Asked Questions \(FAQ\) document](#), which continues to be updated as the project advances.

If you have any questions, or if we can provide further information, please contact Josie Her by phone at (916) 345-8071, or by email at Joua.Her@dhcs.ca.gov.

Enclosures:

Medi-Cal Rx Call Center Script

Call Center Script
Medi-Cal Rx Transition
Version 2.0 | Current as of 11/18/2020

Background:

Department of Health Care Services (DHCS) will transition all Medi-Cal pharmacy services billed on a pharmacy claim to managed care (MC) to fee for service (FFS) by **April 1, 2021**. The Medi-Cal pharmacy benefits and services administered by DHCS in the FFS delivery system will be identified collectively as “Medi-Cal Rx”.

Caller Beneficiary	Agent
I received previous notices that this change was effective 1/1/21, and my recent notice says it is effective 4/1/21. Why is the time for full implementation of this change being lengthened by 3 months?	Given the ongoing challenges and constantly evolving landscape associated with the unprecedented COVID-19 public health emergency (PHE), the Department of Health Care Services (DHCS) after careful consideration and in close partnership and collaboration with Magellan Medicaid Administration, Inc. (Magellan), has decided to lengthen the time to the full implementation of Medi-Cal Rx by three (3) months. DHCS will launch Medi-Cal Rx on April 1, 2021 . In the interim, all current processes and protocols, both effectuated by DHCS and our Medi-Cal managed care plans (MCPs), respectively, will remain unchanged and in place until Medi-Cal Rx launches.
What is changing?	Starting on April 1, 2021, the Department of Healthcare Services (DHCS) will manage your pharmacy benefits with a new pharmacy benefit contractor, Magellan Medicaid Administration, Inc. (Magellan). The new approach is called “Medi-Cal Rx”. Your health plan will no longer manage the pharmacy part of your Medi-Cal benefit. Starting April 1, 2021 , bring your Medi-Cal Benefits Identification Card, the BIC, when you go to the pharmacy. The pharmacy will use your card to look up your information and give you your medications.
How can I get a new BIC?	If you did not receive your BIC, you may ask for a BIC from your county social services office. If you previously had Medi-Cal and now reapplied and approved, you may use your previous BIC. If your BIC is lost or stolen, you must notify your county social services office and your local police. You should give as much information about the theft as possible. If you are issued a new card, your old card will no longer be valid. Please contact your local county office .
Do I need to do anything different than I do today?	Most people will not need to do anything. DHCS will automatically transition from the existing administrator to Magellan on April 1, 2021 .

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	<p>Your health plan, if enrolled in a plan, doctors and pharmacies know about the change and know what to do.</p> <p>There is no change in your Medi-Cal eligibility or benefits.</p> <p>Starting April 1, 2021, bring your Medi-Cal Benefits Identification Card, the BIC, when you go to the pharmacy. The pharmacy will use your card to look up your information and give you your medications.</p>
<p>Will I have to change my medications?</p>	<p>Most people will not have any change in their medications. The list of medications that Medi-Cal Rx allows without a prior approval may be different than the list your health plan uses. If you are on a medication that needs a prior approval, your doctor or pharmacy will have to fill out a form and get approval when you renew your prescription. Your doctor might also talk to you about changing to a medication that is similar that doesn't need prior approval. Your doctor and pharmacy will know about this change.</p>
<p>Will I have to find a new pharmacy?</p>	<p>You will probably be able to use the same pharmacy you do now starting April 1, 2021. But there may be pharmacies that are not enrolled with Medi-Cal Rx.</p> <p>If you use a mail order pharmacy that is based outside of California, you may need to change to another one that is in the Medi-Cal Rx system.</p> <p>If you need help finding a pharmacy near you starting April 1, 2021, use the Medi-Cal Rx Pharmacy Locator online at www.Medi-CalRx.dhcs.ca.gov or call Medi-Cal Rx Customer Service at 1-800-977-2273 twenty-four hours a day, seven days a week, or 711 for TTY Monday thru Friday, 8am to 5pm (Note: The website pharmacy locator will be available in December 2020).</p> <p>If you need help finding a pharmacy for Medi-Cal Rx , contact the Medi-Cal Member Help Line (1-800-541-5555, TTY 1-800-430-7077), Monday thru Friday, 8am to 5pm.</p>
<p>I'm eligible for both Medicare and Medicaid (Medi-Cal). How does this change affect me?</p>	<p>If you are eligible for both Medicare and Medi-Cal, the Medi-Cal Rx transition does not change your current Medicare Part D pharmacy coverage. Medi-Cal Rx may cover things Medicare does not, so you should talk to your doctor or pharmacy if you have questions.</p> <p>You should take your health plan ID Card and Medi-Cal Benefits Identification Card, the BIC card, when you go to the pharmacy. The pharmacy will use the information on your cards to look up your information and give you your medications.</p>

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<p>Is the CCS program impacted?</p>	<p>Yes, the CCS program is included in the transition to Medi-Cal Rx. The DHCS Pharmacy benefits service provider, Magellan, will manage your authorizations and pharmacy claims payment. Your provider and pharmacy will be trained and knowledgeable of the new program. We have implemented policies to eliminate or minimize impacts to CCS beneficiaries. For additional information, contact your managed care plan; or, contact your county CCS Office.</p>
<p>I'm a member of Senior Care Action Network (SCAN) plan. How does this change affect me?</p>	<p>This change does not affect you. Prescription drug benefits for SCAN members are provided by Medicare Part D and Over the Counter (OTC) drugs are covered by the SCAN plan. That will continue after <u>April 1</u>, 2021.</p>
<p>I'm a member in a Cal MediConnect Plan. How does this change affect me?</p>	<p>This change does not affect you. Prescription drug benefits for Cal MediConnect members are primarily provided by Medicare Part D. That will continue after <u>April 1</u>, 2021.</p>
<p>I'm a member in a Programs of All-Inclusive Care for the Elderly (PACE) Plan. How does this change affect me?</p>	<p>This change does not affect you. Prescription drug benefits for PACE plan members are not managed by Medi-Cal. That will continue after <u>April 1</u>, 2021.</p>
<p>I'm a member in a Major Risk Medical Insurance Program (MRMIP) Plan. How does this change affect me?</p>	<p>This change does not affect you. Prescription drug benefits, to the extent covered, will continue to be covered by your Major Risk Medical Insurance Program health plan. That will continue after <u>April 1</u>, 2021.</p>
<p>Who can I contact for more information?</p> <p>MCP Members</p>	<p>If you receive your care from a health plan and have questions about your medication or other pharmacy services prior to April 1, 2021, please call your Managed Care Plan.</p> <p>You can call the Medi-Cal Member Help Line (1- 800-541-5555, TTY 1-800-430- 7077), Monday thru Friday, 8am to 5pm.</p> <p>You can also call the Medi-Cal Rx Customer Service Center line (1-800-977-2273 twenty-four hours a day, seven days a week or 711 for TTY, Monday thru Friday, 8am to 5pm).</p> <p>Note: Until January 2021, the Medi-Cal Rx Customer Service Center line will forward to the Medi-Cal Member Helpline. Starting</p>

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	<p>in January 2021, the Medi-Cal Rx Customer Service Center will be fully staffed and ready to take calls.</p> <p>You may also contact DHCS by email at RxCarveOut@dhcs.ca.gov. Make sure to indicate that you have a question about Medi-Cal Rx. Please do NOT include personal information in your first email. DHCS staff will reply with a secure email asking for your information, if needed to assist.</p>
<p>Who can I contact for more information?</p> <p>FFS Beneficiaries</p>	<p>You can call the Medi-Cal Member Help Line (1- 800-541-5555, TTY 1-800-430- 7077), Monday thru Friday, 8am to 5pm.</p> <p>You can also call the Medi-Cal Rx Customer Service Center line (1-800-977-2273 twenty-four hours a day, seven days a week or 711 for TTY, Monday thru Friday, 8am to 5pm).</p> <p>Note: Until January 2021, the Medi-Cal Rx Customer Service Center line will forward to the Medi-Cal Member Helpline. Starting in January 2021, the Medi-Cal Rx Customer Service Center will be fully staffed and ready to take calls.</p> <p>You may also contact DHCS by email at RxCarveOut@dhcs.ca.gov. Make sure to indicate that you have a question about Medi-Cal Rx. Please do NOT include personal information in your first email. DHCS staff will reply with a secure email asking for your information, if needed to assist.</p>