



November 26, 2025

To: Tribal Chairpersons, Designees of Indian Health Programs, and Urban Indian Organizations

Subject: Addendum to Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter is to provide an update regarding the [Tribal Notice for State Plan Amendment \(SPA\) 25-0029](#), originally issued on November 20, 2025. The enclosed update offers additional clarification and further explanation of the proposal

QUESTIONS AND COMMENTS

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal. Comments are due back 30 days from the original date of release of the Tribal notice for SPA 25-0029. Comments may be sent by email to medi-cal.pharmacybenefits@dhcs.ca.gov or by mail to the address below:

Contact Information

Department of Health Care Services
Pharmacy Benefits Division
ATTN: Pharmacy Policy Branch
MS 4604
P.O. Box 997413
Sacramento, CA 95899-7413

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and Urban Indian Organizations

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In addition to this notice, DHCS plans to cover this SPA in the next quarterly Medi-Cal Indian Health webinar. Please note that Indian Health Programs and Urban Indian Organizations may request a consultation on this proposal at any time as needed.

Sincerely,

Original signed by

Andrea Zubiato, Chief
Office of Tribal Affairs
Department of Health Care Services

Enclosure



**Department of Health Care Services (DHCS)
Tribal and Designees of Indian Health Programs Notice
Addendum**

PURPOSE

The purpose of this addendum is to further clarify and elaborate upon the language of the [Tribal and Designees notice released on November 20, 2025](#) with regard to the previously proposed coverage changes, associated impacts, and Medi-Cal member State Hearing rights.

This SPA proposes to update the DHCS Medicaid State Plan, effective January 1, 2026, to exclude coverage of glucagon-like peptide-1 agonists (GLP-1) medications for weight loss and weight loss-related indications for all Medi-Cal members under Medi-Cal's pharmacy benefit (called Medi-Cal Rx).

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 better align expenditures with available revenue. These measures, including the elimination of GLP-1 medications for weight loss and weight-loss related indications, aim to maintain a more balanced budget and control long-term costs. Medi-Cal policy, in line with the Budget Act of 2025, will eliminate coverage of GLP-1 medications for weight loss and weight loss-related indications under Medi-Cal Rx, effective January 1, 2026.

Effective January 1, 2026, Medi-Cal Rx pharmacy claims for GLP-1 medications that are indicated for weight loss will be denied. GLP-1 medications that will no longer be covered by Medi-Cal Rx for weight loss include, but are not limited to:

- Dulaglutide (Trulicity)
- Exenatide (Byetta, Bydureon)
- Liraglutide (Victoza, Saxenda)
- Semaglutide (Ozempic, Wegovy, Rybelsus)
- Tirzepatide (Mounjaro, Zepbound)

Subject to utilization controls and medical necessity, Medi-Cal Rx will continue to cover GLP-1 medications when they are used for federal Food and Drug Administration (FDA)-approved clinical indications based upon individual case-by-case determinations of medically necessary. Additionally, other alternative medications (e.g., Type 2 diabetes, cardiovascular disease, etc.), along with other medical services and supports, aimed at supporting weight loss or helping Medi-Cal members maintain a healthy weight will continue to be a Medi-Cal benefit if medically necessary.

DHCS is required to submit a 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 (Title 42 of the United States Code Section 1396r-8 (d)(2)), which allows limitations on coverage of certain drugs, including agents used for anorexia, weight loss, or weight gain.

SUMMARY OF PROPOSED CHANGES

This SPA proposes updating the DHCS state plan to exclude coverage of GLP-1 medications for weight loss and weight loss-related indications.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

Since this proposal will eliminate coverage of GLP-1 medications for weight-loss and weight-loss related indications, GLP-1 prescriptions written by THP providers will no longer be covered for these indications under Medi-Cal Rx. As a result, Medi-Cal members should speak with their THP provider(s) to discuss other options that can help with weight loss such as diet change, increased activity or exercise, counseling, and more.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

Since this proposal will eliminate coverage of GLP-1 medications for weight-loss and weight-loss related indications, GLP-1 prescriptions written by FQHC providers will no longer be covered for these indications under Medi-Cal Rx. As a result, Medi-Cal members should speak with their FQHC provider(s) to discuss other options that can help with weight loss such as diet change, increased activity or exercise, counseling, and more.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

Since this proposal will eliminate coverage of GLP-1 medications for weight-loss and weight-loss related indications, American Indian Medi-Cal members will no longer be able to receive GLP-1 medications for these indications under Medi-Cal Rx. As a result, Medi-Cal members should speak with their health care provider(s) to discuss other options that can help with weight loss such as diet change, increased activity or exercise, counseling, and more.

MEDI-CAL MEMBER NOTIFICATION & STATE HEARING RIGHTS

All Medi-Cal members were mailed a notification letter 60 days before the implementation date of January 1, 2026. Thus, this notification letter would have been received by all Medi-Cal members on or before November 1, 2025.

The letter informs Medi-Cal members of their rights, including the right to a State Hearing. Medi-Cal members who receive a Notice of Action (NOA) denying coverage for GLP-1 medications 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 medications 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 medications pending a State Hearing decision, until the earlier of 1) the end of the period covered by their current prior authorization, 2) the date a hearing decision is rendered, or 3) the date on which the State Hearing is otherwise withdrawn or closed. A State Hearing may be requested by contacting CDSS, State Hearings Division, at the following address:

State Hearings
P.O. Box 944243, MS 21-37
Sacramento, CA 94244-2430

Medi-Cal members may also call CDSS on the phone at (800) 743-8525 or (855) 795-0634 or send a fax to (833) 281-0905 to request a State Hearing. For more information, Medi-Cal members can visit CDSS' website at <https://www.cdss.ca.gov/hearing-requests>.

RESPONSE DATE

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal. Comments are due back 30 days from the original date of release of the Tribal notice for SPA 25-0029. Comments may be sent by email to medi-cal.pharmacybenefits@dhcs.ca.gov or by mail to the address below:

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