

Stakeholder Update

Assembly Bill 97 (AB 97) Ten Percent Pharmacy Payment Reductions and State Plan Amendment (SPA) 12-014

January 30, 2015

AB 97 PHARMACY DRUG EXEMPTION APPLICATIONS POSTMARKED & RECEIVED BETWEEN 04/01/14 AND 06/30/14

The drugs that meet exemption criteria (Table 1) have been added to the [List of AB 97 Exempted Drugs](#) and are automatically exempt from the mandatory payment reduction prospectively beginning 11/08/14; therefore, for the period beginning 04/01/14 through 11/07/14, claims for these additions may have been reduced by ten percent.

- A timeliness waiver is currently in place through 03/31/15 to allow pharmacy providers to reverse and rebill claims with dates-of-service (DOS) between 04/01/14 and 11/07/14 for the affected drugs without incurring a six-month billing limit penalty.
 - Now through 03/31/15: Providers may reverse and rebill affected claims for the drugs listed in Table 1 with DOS between 04/01/14 and 11/07/14.
 - After 03/31/15: An Erroneous Payment Correction (EPC) will be conducted by the fiscal intermediary for all other affected claims not reversed and rebilled.

Table 1. Additions to the List of AB 97 Exempted Drugs (Effective 04/01/14)

DRUG NAME	EFFECTIVE DATE
ALOGLIPTIN BENZ/PIOGLITZONE 12.5-15 MG TABLET ORAL	04/01/14
APREPITANT 125 MG-80 MG CAPSULE, DOSE PACK ORAL	04/01/14
BACLOFEN 10 MG TABLET ORAL	04/01/14
BUDESONIDE 9 MG TABLET, DELAYED & EXTENDED RELEASE ORAL	04/01/14
ENOXAPARIN SODIUM 300MG/3ML VIAL (ML) SUBCUTANEOUS	04/01/14
ESTRADIOL 0.05MG/24H PATCH, TRANSDERMAL WEEKLY TRANSDERMAL	04/01/14
FILGRASTIM 480MCG/1.6 VIAL (ML) INJECTION	04/01/14
FLUTICASONE/VILANTEROL 100-25MCG BLISTER, WITH INHALATION DEVICE INHALATION	04/01/14
GRANISETRON HCL 1 MG TABLET ORAL	04/01/14
IMMUNE GLOB, GAM CAPRYLATE (IGG) 1 GM/10 ML VIAL (ML) INJECTION	04/01/14
IMMUNE GLOB, GAM CAPRYLATE (IGG) 10 GM/100 ML VIAL (ML) INJECTION	04/01/14
IMMUNE GLOB, GAM CAPRYLATE (IGG) 2.5 GM/25 ML VIAL (ML)	04/01/14

DRUG NAME	EFFECTIVE DATE
INJECTION	
IMMUNE GLOB, GAM CAPRYLATE (IGG) 5 GM/50 ML VIAL (ML) INJECTION	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 1 GM/5 ML VIAL (ML) SUBCUTANEOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 10% VIAL (ML) INTRAVENOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 2 GM/10 ML VIAL (ML) SUBCUTANEOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 4 GM/20 ML VIAL (ML) SUBCUTANEOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 5% VIAL (ML) INTRAVENOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 5 GM VIAL (EA) INTRAVENOUS	04/01/14
IMMUNE GLOBULIN, GAMMA (IGG) 6 GM VIAL (EA) INTRAVENOUS	04/01/14
LIDOCAINE/TETRACAINE 70 MG-70MG ADHESIVE PATCH, MEDICATED SELF-HEATING TOPICAL	04/01/14
LINEZOLID 600 MG/300 INTRAVENOUS SOLUTION INTRAVENOUS	04/01/14
LIPASE/PROTEASE/AMYLASE 20.9-78.3K TABLET ORAL	04/01/14
LULICONAZOLE 1 % CREAM (GRAM) TOPICAL	04/01/14
MEPERIDINE HCL/PF 100 MG/ML SYRINGE (ML) INJECTION	04/01/14
NAPROXEN 125 MG/5ML SUSPENSION, ORAL (FINAL DOSE FORM) ORAL	04/01/14
NORGESTIMATE-ETHINYL ESTRADIOL 7DAYS X 3 28 TABLET ORAL	04/01/14
OSPEMIFENE 60 MG TABLET ORAL	04/01/14
PREDNISONE 5 MG/ML CONCENTRATE, ORAL	04/01/14
PYRIDOXINE HCL 100 MG/ML VIAL (ML) INJECTION	04/01/14
TESTOSTERONE 20.25/1.25 GEL IN METERED-DOSE PUMP TRANSDERMAL	04/01/14

AB 97 PHARMACY DRUG EXEMPTION APPLICATIONS POSTMARKED & RECEIVED BETWEEN 10/01/14 AND 12/31/14

Applications postmarked and received between 10/01/14 and 12/31/14 have been reviewed and the following drugs (Table 2) have been approved for addition to the List of AB 97 Exempted Drugs.

Table 2. Additions to the List of AB 97 Exempted Drugs (Effective 10/01/14)

DRUG NAME	EFFECTIVE DATE
BACLOFEN 20 MG TABLET ORAL	10/01/14
BENAZEPRIL/HYDROCHLOROTHIAZIDE 10-12.5MG TABLET ORAL	10/01/14
BENAZEPRIL/HYDROCHLOROTHIAZIDE 20-12.5 MG TABLET ORAL	10/01/14
BENZTROPINE MESYLATE 2 MG TABLET ORAL	10/01/14
BUPRENORPHINE 15 MCG/HR PATCH, TRANSDERMAL WEEKLY	10/01/14
BUPRENORPHINE HCL/NALOXONE HCL 5.7-1.4 MG TABLET, SUBLINGUAL	10/01/14
CIMETIDINE 400 MG TABLET ORAL	10/01/14
DAPAGLIFLOZIN PROPANEDIOL 5 MG TABLET ORAL	10/01/14
DIPHENOXYLATE HCL/ATROPINE 2.5-.025MG TABLET ORAL	10/01/14
EXENATIDE MICROSPHERES 2MG/0.65ML PEN INJECTOR (EA) SUBCUTANEOUS	10/01/14
MEMANTINE HCL 7 MG CAPSULE SPRINKLE, EXTENDED RELEASE 24 HR ORAL	10/01/14
METHOTREXATE/PF 20MG/0.4ML AUTO-INJECTOR (ML) SUBCUTANEOUS	10/01/14
POSACONAZOLE 100 MG TABLET, DELAYED RELEASE (ENTERIC COATED) ORAL	10/01/14
PRIMIDONE 250 MG TABLET ORAL	10/01/14
PYRIDOSTIGMINE BROMIDE 180 MG TABLET, EXTENDED RELEASE ORAL	10/01/14
SEVELAMER CARBONATE 0.8 G POWDER IN PACKET (EA) ORAL	10/01/14
TEDUGLUTIDE 5 MG KIT SUBCUTANEOUS	10/01/14
THEOPHYLLINE ANHYDROUS 100 MG TABLET, EXTENDED RELEASE 12 HR ORAL	10/01/14
VORTIOXETINE HYDROBROMIDE 20 MG TABLET ORAL	10/01/14

- Additionally, the following drugs (Table 3) have been approved for exemption for the following reasons:
 - Drugs noted with a “*”: application received by initial deadline of 03/31/14; an EPC will be conducted for affected claims.
 - Drugs marked with a “†”: meets criteria for categorical exemption as outlined in the [List of Therapeutic Drug Categories Subject to AB 97 Exemption](#).

Table 3. Additions to the List of AB 97 Exempted Drugs.

DRUG NAME	EFFECTIVE DATE
*ANAKINRA 100MG/0.67 SYRINGE (ML) SUBCUTANEOUS	06/01/11
*NONOXYNOL 9 3 % JELLY/APPL VAGINAL	06/01/11
*OMALIZUMAB 150 MG VIAL SUB-Q	06/01/11
*SODIUM CL/POTASSIUM CHLORIDE 287-180-15 TABLET ORAL	06/01/11
†ABACAVIR/DOLUTEGRAVIR/LAMIVUDI 600-50-300 TABLET ORAL	08/22/14
†LEDIPASVIR/SOFOSBUVIR 90MG-400MG TABLET ORAL	10/10/14

- The prospective exemption of the newly added drugs listed in Tables 2 and 3 will be implemented on 01/30/15. Starting on this date, providers may reverse and rebill the affected claims for appropriate payment. Please note, an EPC will be conducted for the four drugs noted with a “*” in Table 3.

Updates on issues relevant to the AB 97 Pharmacy Drug Exemption program will be provided as they arise on the [AB 97 website](#). Please continue to check back regularly to get the most up-to-date information. Additionally, DHCS will continue to accept and review pharmacy drug exemption applications as they are received. To contact Pharmacy Benefits Division with questions about AB 97 pharmacy payment reductions and exemptions, please send an email to: AB97pharmacy@dhcs.ca.gov.

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Stakeholder Update

AB 97 PHARMACY RECOUPMENT - IMPLEMENTATION DATE RESCHEDULED

July 29, 2015

Implementation for the recoupment of AB 97 related reductions to pharmacy providers is being rescheduled to begin **no sooner than August 28, 2015**. Under the process developed for this recoupment, Providers will initially receive supporting claim detail (in the form of a Remittance Advice Detail (RAD)) informing them of the total amount due. Receipt of the RAD will then be followed (approximately two weeks later) by the first five percent withhold from the provider's weekly check-write.

The recoupment will be effectuated through the department's normal Erroneous Payment Correction (EPC) process. Due to the volume of claims associated with this recoupment, DHCS will be rolling this EPC out over the course of approximately sixteen weeks; therefore, not every pharmacy provider will be impacted at the same time. Efforts have been undertaken to ensure all claims for each provider will be processed during the same or consecutive weeks if necessary (depending on claim volume for that provider).

Questions specific to the AB 97 EPC process should be directed to the **Telephone Service Center at 1-800-541-5555**, option 1 (for English), option 1 (for Provider), option 5 (for HAP, Family PACT, CHDP, CCS, GHPP, Crossover, LTC and other general billing inquiries), followed by option 6 (for general billing).

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STAKEHOLDER UPDATE

August 21, 2015

AB 97 pharmacy drug exemption applications postmarked or received electronically between 01/01/2015 and 03/31/2015 have been reviewed and the drug(s) that meet exemption criteria have been added to the **List of AB 97 Exempted Drugs**. The approved drug, identified in Table 1 below, is exempt from the mandatory payment reduction prospectively beginning August 28, 2015. Thus, for the period beginning 01/01/15 through 08/27/15, affected claims for this drug may have been reduced by ten percent and will therefore be adjusted through the department's normal Erroneous Payment Correction (EPC) process in the coming months.

Table 1. Addition(s) to the List of AB 97 Exempted Drugs

DRUG NAME	EFFECTIVE DATE
DARBEPOETIN ALFA IN POLYSORBATE 25MCG/0.42 SYRINGE (ML) INJECTION	01/01/15

Additionally, the following drugs (Table 2) have been identified to have met criteria for exemption as outlined in the [List of Therapeutic Drug Categories Subject to AB 97 Exemption](#)

Table 2. Addition(s) to the List of AB 97 Exempted Drugs

DRUG NAME	EFFECTIVE DATE
ADALIMUMAB 10MG/0.2ML SYRINGE KIT (EA) SUBCUTANEOUS	6/1/2011
AFATINIB DIMALEATE 20 MG ORAL	6/1/2011
AFATINIB DIMALEATE 30 MG ORAL	6/1/2011
AFATINIB DIMALEATE 40 MG ORAL	6/1/2011
ALEMTUZUMAB 12MG/1.2ML VIAL (ML) INTRAVENOUS	6/1/2011
ARIPIRAZOLE 300 MG INTRAMUSCULAR	6/1/2011
ARIPIRAZOLE 400 MG INTRAMUSCULAR	6/1/2011
ATAZANAVIR SULFATE 50 MG ORAL	6/1/2011
ATAZANAVIR SULFATE/COBICISTAT 300-150 MG ORAL	6/1/2011
BASILIXIMAB 10 MG INTRAVENOUS	6/1/2011
BASILIXIMAB 20 MG INTRAVENOUS	6/1/2011
BELINOSTAT 500 MG INTRAVENOUS	6/1/2011
BETAINE 1 G/1.7 ML POWDER (GRAM) ORAL	6/1/2011
BLINATUMOMAB 35 MCG KIT INTRAVENOUS	6/1/2011
C1 ESTERASE INHIBITOR 500(10 ML) INTRAVENOUS	6/1/2011
C1 ESTERASE INHIBITOR, RECOMB 2100 UNIT VIAL (EA) INTRAVENOUS	6/1/2011
CERITINIB 150 MG ORAL	6/1/2011

CLOZAPINE 50 MG/ML ORAL	6/1/2011
CYSTEAMINE BITARTRATE 25 MG ORAL	6/1/2011
CYSTEAMINE BITARTRATE 75 MG ORAL	6/1/2011
DABRAFENIB MESYLATE 50 MG ORAL	6/1/2011
DABRAFENIB MESYLATE 75 MG ORAL	6/1/2011
DACLIZUMAB 5 MG/ML INTRAVENOUS	6/1/2011
DARUNAVIR/COBICISTAT 800-150 MG TABLET ORAL	6/1/2011
DESVENLAFAXINE 100 MG ORAL	6/1/2011
DESVENLAFAXINE 100 MG ORAL	6/1/2011
DESVENLAFAXINE 50 MG ORAL	6/1/2011
DESVENLAFAXINE 50 MG ORAL	6/1/2011
DESVENLAFAXINE FUMARATE 100 MG ORAL	6/1/2011
DESVENLAFAXINE FUMARATE 50 MG ORAL	6/1/2011
DOCETAXEL 140 MG/7 ML INTRAVENOUS	6/1/2011
DOCETAXEL 200 MG/20 ML INTRAVENOUS	6/1/2011
ELIGLUSTAT TARTRATE 84 MG ORAL	6/1/2011
ELVITEGRAVIR 150 MG ORAL	6/1/2011
ELVITEGRAVIR 85 MG ORAL	6/1/2011
EVEROLIMUS 2 MG ORAL	6/1/2011
EVEROLIMUS 3 MG ORAL	6/1/2011
EVEROLIMUS 5 MG ORAL	6/1/2011
GLATIRAMER ACETATE 20 MG/ML SUBCUTANEOUS	6/1/2011
GLATIRAMER ACETATE 40 MG/ML SUBCUTANEOUS	6/1/2011
HEMIN 313 MG INTRAVENOUS	6/1/2011
IBRUTINIB 140 MG ORAL	6/1/2011
IDELALISIB 100 MG ORAL	6/1/2011
IDELALISIB 150 MG ORAL	6/1/2011
LENALIDOMIDE 20 MG ORAL	6/1/2011
LENVATINIB MESYLATE 10 MG/DAY CAPSULE ORAL	6/1/2011
LENVATINIB MESYLATE 14 MG/DAY CAPSULE ORAL	6/1/2011
LENVATINIB MESYLATE 20 MG/DAY CAPSULE ORAL	6/1/2011
LENVATINIB MESYLATE 24 MG/DAY CAPSULE ORAL	6/1/2011
LEVOMILNACIPRAN HYDROCHLORIDE 120 MG ORAL	6/1/2011
LEVOMILNACIPRAN HYDROCHLORIDE 20 MG ORAL	6/1/2011
LEVOMILNACIPRAN HYDROCHLORIDE 20-40 MG ORAL, DOSE PACK	6/1/2011
LEVOMILNACIPRAN HYDROCHLORIDE 40 MG ORAL	6/1/2011
LEVOMILNACIPRAN HYDROCHLORIDE 80 MG ORAL	6/1/2011
LISDEXAMFETAMINE DIMESYLATE 10 MG ORAL	6/1/2011
LITHIUM CITRATE 8 MEQ/5 ML ORAL	6/1/2011
LOXAPINE 10 MG INHALATION	6/1/2011
MACITENTAN 10 MG ORAL	6/1/2011

NIVOLUMAB 100 MG/10 ML INTRAVENOUS	6/1/2011
NIVOLUMAB 40 MG/4 ML INTRAVENOUS	6/1/2011
OBINUTUZUMAB 1000 MG/40 VIAL (ML) INTRAVENOUS	6/1/2011
OLAPARIB 50 MG ORAL	6/1/2011
OMBITA/PARITAP/RITON/DASABUVIR 12.5-75-50 TABLET, DOSE PACK ORAL	6/1/2011
PALBOCICLIB 100 MG ORAL	6/1/2011
PALBOCICLIB 125 MG ORAL	6/1/2011
PALBOCICLIB 75 MG ORAL	6/1/2011
PANOBINOSTAT LACTATE 10 MG CAPSULE ORAL	6/1/2011
PANOBINOSTAT LACTATE 15 MG CAPSULE ORAL	6/1/2011
PANOBINOSTAT LACTATE 20 MG CAPSULE ORAL	6/1/2011
PAROXETINE MESYLATE 7.5 MG ORAL	6/1/2011
PEGINTERFERON BETA-1A 125MCG/0.5 PEN INJECTOR (ML) SUBCUTANEOUS	6/1/2011
PEGINTERFERON BETA-1A 125MCG/0.5 SYRINGE (ML) SUBCUTANEOUS	6/1/2011
PEGINTERFERON BETA-1A 63-94 MCG PEN INJECTOR (ML) SUBCUTANEOUS	6/1/2011
PEGINTERFERON BETA-1A 63-94 MCG SYRINGE (ML) SUBCUTANEOUS	6/1/2011
PEGVISOMANT 10 MG SUBCUTANEOUS	6/1/2011
PEGVISOMANT 25 MG SUBCUTANEOUS	6/1/2011
PEGVISOMANT 30 MG SUBCUTANEOUS	6/1/2011
PEMBROLIZUMAB 100 MG/4 ML INTRAVENOUS	6/1/2011
PEMBROLIZUMAB 50 MG INTRAVENOUS	6/1/2011
RALTEGRAVIR POTASSIUM 100 MG ORAL	6/1/2011
RAMUCIRUMAB 100 MG/10 ML INTRAVENOUS	6/1/2011
RAMUCIRUMAB 500 MG/50 ML INTRAVENOUS	6/1/2011
RIOCIGUAT 1.5 MG ORAL	6/1/2011
RIOCIGUAT 2 MG ORAL	6/1/2011
RIOCIGUAT 2.5 MG ORAL	6/1/2011
SILDENAFIL CITRATE 10 MG/ML ORAL	6/1/2011
SILTUXIMAB 100 MG INTRAVENOUS	6/1/2011
SILTUXIMAB 400 MG INTRAVENOUS	6/1/2011
SUNITINIB MALATE 37.5 MG ORAL	6/1/2011
TACROLIMUS 0.5 MG ORAL	6/1/2011
TACROLIMUS 1 MG ORAL	6/1/2011
TACROLIMUS 5 MG ORAL	6/1/2011
TRAMETINIB DIMETHYL SULFOXIDE 0.5 MG ORAL	6/1/2011
TREPROSTINIL DIOLAMINE 0.125 MG ORAL	6/1/2011
TREPROSTINIL DIOLAMINE 0.25 MG ORAL	6/1/2011
TREPROSTINIL DIOLAMINE 1 MG ORAL	6/1/2011
TREPROSTINIL DIOLAMINE 2.5 MG ORAL	6/1/2011
VINCRIPTINE SULFATE LIPOSOMAL FNL 5MG/31 KIT INTRAVENOUS	6/1/2011
VORTIOXETINE HYDROBROMIDE 5 MG ORAL	6/1/2011

Lastly, it was discovered that beginning January 2015, some oxycodone extended-release products may have been inadvertently reduced by 10 percent. These affected claims, as well as claims for the drugs in Table 2, will also be adjusted through the EPC process in the coming months.

DHCS will continue to accept and review pharmacy drug exemption applications as they are received. To contact Pharmacy Benefits Division with questions about AB 97 pharmacy payment reductions and exemptions, please send an email to: AB97pharmacy@dhcs.ca.gov.