



JENNIFER KENT
DIRECTOR

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



GAVIN NEWSOM
GOVERNOR

DATE: August 2, 2019

CCS Information Notice: 19-04

TO: All Local County California Children's Services Program and Genetically Handicapped Persons Program Staff and Pharmacy providers, California Children's Services Medical Consultants, County Medical Staff, and Integrated Systems of Care Division Staff

SUBJECT: Pharmacy Providers Must Include Dispensing Fee When Billing Z5999 Claims

The purpose of this California Children's Services (CCS) Information Notice is to notify pharmacy providers with approved attestation dispensing fees that they must include the professional dispensing fee on a submitted invoice or catalog page when submitting Z5999 claims. This Information Notice applies to drugs dispensed for beneficiaries in the CCS Program and the Genetically Handicapped Persons Program (GHPP). This requirement was effective February 23, 2019.¹

Pharmacy providers can obtain a dispensing fee reimbursement of \$13.20 (if they submit fewer than 90,000 claims per year) or \$10.05 (if they submit 90,000 or more claims per year).² If providers do not include the dispensing fee on an invoice or catalog page, they will receive the lower dispensing fee reimbursement of \$10.05 for the following items:

- Investigational non-FDA approved drugs
- Non-benefit diabetic test strips/lancets
- Non-benefit dietary supplements
- Vitamins*
- Minerals*
- Amino acids*

¹ Medi-Cal NewsFlash- dated January 29, 2019 and March 20, 2019: Pharmacy Fee-for-Service Reimbursement Changes Begin February 23, 2019

² Cal. Welf. & Inst. Code section 14105.45(b)(2)(B)

- Active Pharmaceutical Ingredients (APIs)*
- Thickeners – requires county office approval

If the dispensing fee submitted on the invoice or catalog page for these items is lower than \$13.20, the lower dispensing fee of \$10.05 will be reimbursed.

More information on pharmacy reimbursements can be found at:

[Pharmacy Reimbursement Project FAQs](#)

For items marked with an asterisk (*), the CCS and GHPP programs will implement a method to allow use of non-payable National Drug Codes (NDC) via a separately authorized SAR. Upon implementation of the method,³ the CCS and GHPP programs will no longer authorize use of the Z5999 code and the category of “Non-Benefit Dietary Supplements, Vitamins, Minerals, Amino Acids, APIs, Thickeners” for these products.

If you have any questions, please contact Edan Lum, Pharm D., Pharmaceutical Consultant, (415) 557-0222, or via e-mail at edan.lum@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED BY

Roy Schutzengel
Medical Director
Integrated Systems of Care Division

³ A future CCS Information Notice will be released with an implementation date.