



JENNIFER KENT  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

May 24, 2019

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

SUBJECT: Notice of Proposed Change to the Medi-Cal Program

The purpose of this letter is to provide information regarding a proposed change to the Department of Health Care Services' (DHCS) Medi-Cal Program that will be submitted to the Centers for Medicare and Medicaid Services (CMS). DHCS is forwarding this information for your review and comment.

DHCS is required to seek advice from designees of Indian Health Programs and Urban Indian Organizations on Medi-Cal matters having a direct effect on Indians, Indian Health Programs or Urban Indian Organizations per the American Recovery and Reinvestment Act of 2009 (ARRA). DHCS must solicit the advice of designees prior to submission to CMS of any State Plan Amendment, waiver requests or modifications, or proposals for demonstration projects in the Medi-Cal program.

Please see the enclosed summary for a detailed description of this DHCS proposal.

**QUESTIONS AND COMMENTS:**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to [Angeli.Lee@dhcs.ca.gov](mailto:Angeli.Lee@dhcs.ca.gov) or by mail to the address below:

**CONTACT INFORMATION**

Department of Health Care Services  
Director's Office  
ATTN: Angeli Lee  
MS 0000  
P.O. Box 997413  
Sacramento, CA 95899-7413

Tribal Chairpersons, Designees of Indian Health Programs  
And Urban Indian Organizations  
Page 2  
May 24, 2019

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 also request a consultation on this proposal at any time as needed.

Sincerely,

Original Signed By Corinne Chavez

Sandra Willburn, Chief  
Primary, Rural, and Indian Health Division  
Department of Health Care Services

Enclosure



**Department of Health Care Services  
Tribal and Designees of Indian Health Programs Notice  
Alternative Benefit Plan Update**

**PURPOSE**

The Department of Health Care Services (DHCS) proposes to submit State Plan Amendment (SPA) 19-0017 to the Centers for Medicare and Medicaid Services (CMS) to seek necessary approvals to add specified pharmacist services as a Medi-Cal benefit. This SPA will align the Alternative Benefit Plan (ABP) with the changes made by SPA 18-0039, which CMS approved on November 26, 2018.

**BACKGROUND**

Assembly Bill 1114<sup>1</sup> added Section 14132.968 to California's Welfare and Institutions Code, which stipulates that specified pharmacist services, when provided by an enrolled Medi-Cal pharmacy provider and consistent with California law, are covered Medi-Cal benefits. The specific pharmacist services include independently furnishing the following types of medications: self-administered hormonal contraception, nicotine replacement therapy, travel medications, and the opioid antagonist naloxone; as well as initiating and administering immunizations and providing tobacco cessation counseling.

This SPA will bring the ABP in line with the changes made by SPA 18-0039.

**SUMMARY OF PROPOSED CHANGES**

DHCS plans to submit SPA 19-0017 to CMS with a proposed effective date of April 1, 2019. This SPA proposes to add pharmacist services as a covered Medi-Cal benefit for the new adult group, subject to DHCS policy requirements and utilization controls.

**IMPACT TO TRIBAL HEALTH PROGRAMS**

Pharmacist services are not reimbursable at the all-inclusive rate by tribal health programs. Tribal health programs that operate a retail pharmacy separately enrolled in Medi-Cal may see an increase in Medi-Cal beneficiaries accessing pharmacist services, which could result in an increase in the time spent with beneficiaries who need the services associated with this benefit.

**IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)**

Pharmacist services may be included as a scope of service within the FQHC's Prospective Payment System (PPS) rate. When included, pharmacist services are not separately billable by the FQHC. If the services are not included in the PPS rate calculation, pharmacist services would be a benefit as defined in the California State Plan for a separately enrolled retail pharmacy provider at the FQHC location.

---

<sup>1</sup> Assembly Bill 1114, Chapter 602 (Eggman, Statutes of 2016)



Those FQHC's whose PPS rate does not include pharmacy services may experience an increase in Medi-Cal beneficiaries accessing pharmacist services within their pharmacies. Pharmacy programs and organizations may also experience an increase in the time spent with beneficiaries who need the services associated with this benefit.

**IMPACT TO INDIAN MEDI-CAL BENEFICIARIES**

Medi-Cal beneficiaries will be able to receive pharmacist services as a covered Medi-Cal benefit.

**RESPONSE DATE**

Indian Health Programs and Urban Indian Organizations may also submit written comments or questions concerning this proposal within 30 days from the receipt of notice. Comments may be sent by email to [Angeli.Lee@dhcs.ca.gov](mailto:Angeli.Lee@dhcs.ca.gov) or by mail to the address below:

**CONTACT INFORMATION**

Department of Health Care Services  
Director's Office  
ATTN: Angeli Lee  
MS 0000  
P.O. Box 997413  
Sacramento, CA 95899-7413