



November 20, 2025

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 (SPA), 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 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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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 Consuelo Gambino

On behalf of
Andrea Zubiarte, 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**

PURPOSE

This State Plan Amendment (SPA) proposes to update the current page 2 in both Attachments 3.1.A.1 and 3.1.B.1 of the 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). Medi-Cal Rx is California's pharmacy benefit program that administers prescription drug coverage for all Medi-Cal members.

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 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 balanced budget and control long-term costs. Medi-Cal policy, in line with the 2025 Budget Act, will eliminate coverage of GLP-1 medications for weight loss and weight loss-related indications under Medi-Cal Rx, effective January 1, 2026. GLP-1 medications will continue to be covered for other, federal Food and Drug Administration (FDA)-approved clinical indications based upon individual case-by-case determinations if medically necessary. Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss 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 update to the State Plan aligns with federal law, specifically Section 1927 of the Social Security Act (42 United States Code 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 page 2 in both Attachments 3.1.A.1 and 3.1.B.1 to exclude coverage of GLP-1 medications for weight loss and weight loss-related indications.

IMPACT TO TRIBAL HEALTH PROGRAMS (THPs)

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 FDA-approved clinical indications, such as treating type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease,

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consistent with the Medi-Cal Rx Contract Drug List. Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.

IMPACT TO FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

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)
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- 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 FDA-approved clinical indications, such as treating type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease, consistent with the Medi-Cal Rx Contract Drug List. Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.

IMPACT TO AMERICAN INDIAN MEDI-CAL MEMBERS

Effective January 1, 2026, Medi-Cal Rx pharmacy claims for GLP-1 medications that are indicated for weight loss will be denied.

Subject to utilization controls and medical necessity, Medi-Cal Rx will continue to cover GLP-1 medications when they are used for FDA-approved clinical indications, such as treating type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease, consistent with the Medi-Cal Rx Contract Drug List. Additionally, other alternative medications, along with other medical services and supports, aimed at supporting weight loss will continue to be a Medi-Cal benefit if medically necessary.

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 receiving GLP-1 medications on or before January 1, 2026, who submit a written appeal to DHCS for a hearing before January 1, 2026 will 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 hearing is otherwise withdrawn or closed. A State Hearing may be requested by contacting the California Department of Social Services (CDSS), State Hearings Division, at the following address:

Mail

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

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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 within 30 days from the receipt of notice. Comments may be sent by email to medi-cal.pharmacybenefits@dhcs.ca.gov or by mail to the address below:

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