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DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 12, 2018

The Honorable Lorena S. Gonzalez Fletcher, Chair  
Assembly Appropriations Committee  
State Capitol, Room 2114  
Sacramento, CA 95814

Dear Assembly Member Gonzalez Fletcher:

SENATE BILL 1264 (AS AMENDED May 1, 2018) – OPPOSE

The Department of Health Care Services (DHCS) must inform you of its opposition to Senate Bill (AB) 1264. This bill would add hypertension medication management (HMM) services, as specified, as a covered pharmacist service under the Medi-Cal program and to the extent federal financial participation (FFP) is available.

SB 1264 would overlap with existing requirements for medication management. Medi-Cal providers prescribing antihypertensive medication are already expected to review a beneficiary's other disclosed medications to ensure that the medications are cumulatively appropriate, effective, and safe as well as to monitor compliance and adverse reactions to the medication(s). Both Fee-For-Service (FFS) and Managed Care Plans (MCPs) have their own respective processes to reimburse pharmacy providers for medication management. SB 1264 will increase state costs in order to reimburse pharmacy providers for HMM services provided to FFS beneficiaries.

In Fee-For-Service (FFS) plans, pharmacies are reimbursed for these services through a dispensing fee billed for each prescription dispensed by a pharmacist. In Medi-Cal managed care, MCPs are paid a capitated rate for providing medically necessary services which includes management of medications.

As such, it will increase state costs to reimburse pharmacy providers these HMM services.

Furthermore, SB 1264 is ambiguous with regard to how HMM services would be implemented utilizing pharmacists. The bill does not clarify or describe how DHCS is to implement or reimburse HMM on a FFS basis or in a managed care setting. It is important to note, Medicare offers a Medication Therapy Management (MTM) program. In these programs, a pharmacist or other health professional gives patients a

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comprehensive review of all medications. Patients receive a written summary of discussion, including an action plan that recommends how to make the best use of medications. It is not clear if the intent of SB 1264 is to implement a similar program targeting hypertension specifically.

Lastly, DHCS notes the language of SB 1264 is not inclusive of all Medi-Cal health care delivery systems (Fee-For-Service and managed care), but coverage would be required to implement HMM services in Medi-Cal pursuant to federal Medicaid comparability requirements. Federal law mandates that Medi-Cal covered services must be available to all Medi-Cal beneficiaries regardless of delivery system. To comply with comparability requirements between these delivery systems, SB 1264 would indirectly require Medi-Cal MCPs to cover those same services. Further complicating matters, some beneficiaries enrolled in MCPs receive carve-out services through the FFS delivery system. Currently, there is no comprehensive mechanism in place to effectively track and implement HMM services across these delivery systems, or even across various providers within FFS, that would allow DHCS to effectuate the intended policy of this bill.

Although DHCS recognizes the importance of hypertension as one of the major contributors to cardiovascular disease, it must recommend a position of oppose on SB 1264 for the reasons stated above.

If you have any questions, please contact me at 440-7500.

Sincerely,

o/s/by: CG

Carol Gallegos  
Deputy Director

cc: The Honorable Senator Jeff Stone  
State Capitol, Room 4082  
Sacramento, CA 95814

Co-Chair and Members, Assembly Appropriations Committee  
Senate Republican Caucus  
Senate Floor Analysis  
Department of Finance  
CHHS Legislative Unit  
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