

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

March 3, 2021

Ms. Jacey Cooper
Chief Deputy Director
Health Care Programs
State Medicaid Director
State of California - Health and Human Services Agency
Department of Health Care Services
1501 Capitol Avenue, MS 0000
P.O. Box 997413
Sacramento, CA 95899-7413

Dear Ms. Cooper:

We have reviewed California's State Plan Amendment (SPA) 20-0039, received in the CMS Medicaid & CHIP Operations Group on December 4, 2020. This SPA proposes to eliminate the monthly six prescription limit and one dollar (\$1) per prescription (or refill) copayment.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 20-0039 is approved with an effective date of January 1, 2021. We are attaching a copy of the signed, updated CMS-179 form, as well as the pages approved for incorporation into California's state plan.

If you have any questions regarding this request, please contact Lisa Shochet at 410-786-5445 or lisa.shochet@cms.hhs.gov.

Sincerely,

John M.
Coster -S

Digitally signed by John
M. Coster -S
Date: 2021.03.03
16:05:31 -05'00'

John M. Coster, Ph.D., R.Ph.
Director
Division of Pharmacy

cc: Rene Mollow, California Department of Health Care Services
Sandra Williams, California Department of Health Care Services
Yingjia Huang, California Department of Health Care Services
Mike Wofford, California Department of Health Care Services
Harry Hendricks, California Department of Health Care Services

(continued)

Angeli Lee, California Department of Health Care Services
Amanda Font, California Department of Health Care Services
Billy Bob Farrell, CMS, Medicaid and CHIP Operations Group
Cheryl Young, CMS, Medicaid and CHIP Operations Group
Terry Fraser, CMS, Children and Adults Health Program Group
Melissa Heitt, CMS, Children and Adults Health Program Group

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>20</u> — <u>00</u> <u>39</u>	2. STATE California
	3. PROGRAM IDENTIFICATION: Title IX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2021	

5. TYPE OF PLAN MATERIAL (*Check One*)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447 Subpart I - Payment for Drugs	7. FEDERAL BUDGET IMPACT a. FFY 2020/21 \$ <u>0</u> b. FFY 2021/22 \$ <u>0</u>
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Limitations on Attachments 3.1-A and 3.1-B (page 17 of each) Attachments 4.18-A and 4.18-C (page 1-1a of each), Supplement 2 to Attachments 3.1.A.1 and 3.1.B.1 (page 3 of each)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Limitations on Attachments 3.1-A & 3.1-B (pg. 17 of each) Attachments 4.18-A & 4.18-C (pg 1 of each) Supplement 2 to Attachments 3.1.A.1 & 3.1.B.1 (pg 3 of each)
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10. SUBJECT OF AMENDMENT


Elimination of Monthly Six Prescription Limit, Elimination of one dollar (\$1) Medi-Cal FFS Drug Prescription Copayment, and selected technical cleanup

11. GOVERNOR'S REVIEW (*Check One*)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Department of Health Care Services Attn: Director's Office P.O. Box 997413, MS 0000 Sacramento, CA 95899-7413
13. TYPED NAME Jacey Cooper	
14. TITLE State Medicaid Director	
15. DATE SUBMITTED December 4, 2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED December 4, 2020	18. DATE APPROVED March 3, 2021
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL John M. Coster -S <small>Digitally signed by John M. Coster Date: 2021.03.03 16:04:11 -0500</small>
21. TYPED NAME John M. Coster, PhD, RPh	22. TITLE Director, Division of Pharmacy, DEHPG/CMCS/CMS

23. REMARKS

For Box 11 "Other, As Specified," Please note: The Governor's Office does not wish to review the State Plan Amendment.

For Box 8: CMS added "page 1a" to Att. 4.18-A and 4.18-C on 3/2/21 as a pen & ink change.

TYPE OF SERVICE	PROGRAM COVERAGE**	PRIOR AUTHORIZATION OR OTHER REQUIREMENTS*
12a Pharmaceutical services and prescribed drugs	<p>Covered when prescribed by a licensed practitioner.</p> <p>Drugs for the treatment of hospital inpatients are covered as encompassed in the formulary of the hospital.</p> <p>Drugs administered for chronic outpatient hemodialysis in renal dialysis centers and community hemodialysis units are covered, but payable only when included in the all-inclusive rate.</p>	<p>Prior authorization is not required for drugs listed on the Contract Drug List (CDL), except that certain drugs on the CDL are subject to prior authorization unless used as specified therein.</p> <p>Except for hospital inpatients, prescriptions shall not exceed a 100-calendar-day supply.</p> <p>Hospital inpatient drugs, as encompassed in the formulary of the hospital, do not require prior authorization.</p> <p>Hospital discharge medications may not exceed a ten-day supply.</p> <p>Certain drugs on the CDL are subject to minimum or maximum dispensing quantities.</p> <p>Drugs not on the CDL are subject to prior authorization, except that certain drugs are excluded from Medi-Cal program coverage.</p>

*Prior authorization is not required for emergency service.

**Coverage is limited to medically necessary services.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: California

A. The following charges are imposed on the categorically needy for services other than those provided under Section 1905(a)(1) through (5) and (7) of the Act:

Service	Type of Charge Deduct. Coins. Copay.	Amount of Basis for Determination
Clinic	X	\$1 per visit
Surgical center	X	\$1 per visit
Optometric	X	\$1 per outpatient visit
Chiropractic	X	\$1 per outpatient visit
Psychology	X	\$1 per outpatient visit
Podiatric	X	\$1 per outpatient visit
Occupational therapy	X	\$1 per outpatient visit
Physical therapy	X	\$1 per outpatient visit
Speech therapy	X	\$1 per outpatient visit
Audiology	X	\$1 per outpatient visit
Acupuncture	X	\$1 per outpatient visit
Dental	X	\$1 per outpatient dental visit
Nonemergency services in an emergency room	X	\$5 per visit (average payment for nonemergency services in an emergency room is greater than \$50) All other amounts besides nonemergency services in an emergency room that meet the definition of nominal.

Exceptions:

1. Any preventive services and vaccines.
2. Disabled or blind individuals under age 18 eligible for the following eligibility groups:
 - SSI Beneficiaries.
 - Blind and Disabled Individuals in 209(b) States.
 - Individuals Receiving Mandatory State Supplements.
3. Children for whom child welfare services are made available under Part B of title IV of the Act on the basis of being a child in foster care and individuals receiving benefits under Part E of that title, without regard to age.
4. Disabled children eligible for Medicaid under the Family Opportunity Act (1902(a)(10)(A)(ii)(XIX) and 1902(cc) of the Act).
5. Pregnant women, during pregnancy and through the postpartum period which begins on the last day of pregnancy and extends through the end of the month in which the 60-day period following

termination of pregnancy ends, except for cost sharing for services specified in the state plan as not pregnancy-related.

6. Any individual whose medical assistance for services furnished in an institution is reduced by amounts reflecting available income other than required for personal needs.
7. An individual receiving hospice care, as defined in section 1905(o) of the Act.
8. Indians who are currently receiving or have ever received an item or service furnished by an Indian health care provider or through referral under contract health services.
9. Individuals who are receiving Medicaid because of the state's election to extend coverage to the Certain Individuals Needing Treatment for Breast or Cervical Cancer eligibility group (42 CFR 435.213).
10. The state elects to exempt individuals under age 19.
11. The state elects to exempt individuals whose medical assistance for services furnished in a home and community-based setting is reduced by amounts reflecting available income other than required for personal needs.
12. Emergency services as defined at section 1932(b)(2) of the Act and 42 CFR 438.114(a).
13. Family planning services and supplies described in section 1905(a)(4)(C) of the Act, including contraceptives and pharmaceuticals for which the state claims or could claim federal match at the enhanced rate under section 1903(a)(5) of the Act for family planning services and supplies.
14. Preventive services, at a minimum the services specified at 42 CFR 457.520, provided to children under 18 years of age regardless of family income, which reflect the well-baby and well child care and immunizations in the Bright Futures guidelines issued by the American Academy of Pediatrics.
15. Pregnancy-related services, including those defined at 42 CFR 440.210(a)(2) and 440.250(p), and counseling and drugs for cessation of tobacco use. All services provided to pregnant women will be considered pregnancy-related, except those services specifically identified in the state plan as not being related to pregnancy.
16. Provider-preventable services as defined in 42 CFR 447.26(b).

TN No. 20-0039

Supersedes

TN No. None

Approval Date: March 3, 2021

Effective Date: 1/1/2021

HCFA ID: 0053C/0061E

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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Chiropractic	X	\$1 per outpatient visit
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3. Children for whom child welfare services are made available under Part B of title IV of the Act on the basis of being a child in foster care and individuals receiving benefits under Part E of that title, without regard to age.
4. Disabled children eligible for Medicaid under the Family Opportunity Act (1902(a)(10)(A)(ii)(XIX) and 1902(cc) of the Act).
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16. Provider-preventable services as defined in 42 CFR 447.26(b).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency California

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT
DRUGS FOR THE **CATEGORICALLY NEEDY**

Citation (s)	Provision (s)
1927(d)(2) and 1935(d)(2)	<input checked="" type="checkbox"/> (f) nonprescription drugs Some - as listed in the Over-The-Counter section of the Medi-Cal Contract Drug List, which can be found at www.medi-calrx.dhcs.ca.gov
	<input type="checkbox"/> (g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)

TN No. 20-0039
Supersedes
TN No. 14-013

Approval Date March 3, 2021

Effective Date January 1, 2021

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency California

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT
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	<input type="checkbox"/>	(g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)

TN No. 20-0039

Supersedes

Approval Date March 3, 2021

Effective Date January 1, 2021

TN No. 14-013