



California
Department of
Health Services

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State of California-Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
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N.L.: 20-0605
Index: Benefits

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS, COUNTY AND REGIONAL OFFICE MEDICAL
CONSULTANTS, STATE CHILDREN'S MEDICAL SERVICES (CMS)
BRANCH STAFF

SUBJECT: NON-BENEFIT STATUS OF REGULAR INFANT FORMULAS

PURPOSE

The purpose of this numbered letter is to inform County CCS Programs, CCS Regional Offices and GHPP staff of the non-benefit status of regular infant formulas and to provide a process for verifying non-benefit status of regular infant formulas.

BACKGROUND

Regular infant formulas are deemed regular food and therefore are not a benefit of the CCS, GHPP, or Medi-Cal Programs. This change was made effective June 1, 2004. These specific infant formulas have been designated with a "Treatment Authorization Request 2 (TAR2)" indicator in the Electronic Data System (EDS) payment system, meaning they are a non-benefit of the Programs. Any claims for payment for these products will be denied payment by EDS, even if authorized by CCS or GHPP.

Affected infant formulas include, but are not limited to:

- Milk-based formulas, such as Enfamil, Similac, and Good Start;
- soy-based formulas, such as Enfamil ProSobee, Similac Isomil, Alsoy, and Follow-up Soy;
- milk-based lactose-free formulas, such as, Enfamil LactoFree and Similac Lactose Free;

- added rice starch formulas, such as, Enfamil AR; and
- regular infant formulas, as noted above which are concentrated to various calorie levels, such as, 22, 24 and 27 calories per ounce.

Non-benefit formulas include all comparable forms with and without iron and all product forms: powder, ready-to-use, concentrates, and nursettes, as well as regular formulas with names which the manufacturer has modified, such as, Enfamil LIPIL and Similac Advance. In addition, as new infant formulas come to market which are similar to those described, they will also be designated non-benefit formulas in the EDS payment system. The Medi-Cal Program will not maintain or publish a list of non-benefit regular infant formulas in the Medi-Cal provider manuals. The process for determining the status of a requested formula is outlined below.

POLICY

Effective the date of this letter, regular infant formula is not a benefit of the CCS program. These formulas do not include many specialized formulas that are currently included in the Service Code Groups 01 and 02. The Numbered Letter (NL) 04-0399, Nutrition Products as a CCS Benefit, addresses the policy on nutrition products that are benefits of the Programs.

IMPLEMENTATION

It is the responsibility of pharmacy providers to determine which formula products are program benefits prior to submitting a request for authorization to CCS by adhering to the following process:

- Pharmacy providers should submit a Point of Service (POS) claim with the NDC in question to EDS **prior** to submitting a request for authorization to the CCS or GHPP programs; and
- case managers should verify the submission with the pharmacy prior to issuing an authorization for any product which may be considered a regular infant formula, as well as prior to canceling any currently valid authorizations.

Historically, CCS has authorized very few regular infant formulas. Nonetheless, CCS County and Regional office staff are advised to review their cases to identify any existing authorizations for infant formula that may be a non-benefit. If a non-benefit formula is identified, the case manager must notify the provider of the possible non-

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benefit status of the item. It is the responsibility of the provider to then confirm this by following the procedure above. Once confirmed, the CCS case manager shall notify the client(s) about the non-benefit status. If the existing authorization is a legacy authorization, the authorization should be cancelled. If the formula is being obtained through an 01 service code grouping, notifying the provider and advising of the non-benefit status should be documented and considered adequate notice.

The Women, Infants and Children Supplemental Nutrition Program (WIC) is an alternative resource for a variety of regular infant formulas (at no cost to eligible families). Most CCS clients less than five years of age are WIC eligible. Therefore, case managers are encouraged to refer families to WIC for program information regarding issuance of comparable regular infant formula.

If you have any questions regarding this NL, please contact your CMS Regional Office Medical Consultant.

Original Signed by Harvey Fry for

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Children's Medical Service Branch