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News

20-802 Alert: Medi-Cal Managed Care Pharmacy Benefit Carve-Out and Transition to Medi-Cal Rx

Date: 10/22/20

This information applies to Physicians, Participating Physician Groups (PPGs), Hospitals, and Ancillary providers.

For Medi-Cal, this information applies to Kern, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Stanislaus, and Tulare counties.

Change applies to Medi-Cal pharmacy benefit administration

Per Governor Gavin Newsom's Executive Order N-01-19 and guidance from the Department of Managed Health Care (DMHC) and the Department of Health Care Services (DHCS) via forthcoming All Plan Letters (APLs), Medi-Cal pharmacy benefits and services will transition from managed care to the State's responsibility under the pharmacy benefit program known as Medi-Cal Rx, effective January 1, 2021.

The State has selected Magellan Medicaid Administration, Inc. (Magellan) as the contractor to administer Medi-Cal Rx.

How this affects you

Effective January 1, 2021, Health Net **is no longer responsible for:**

- Prior authorizations for drugs processed under the pharmacy benefit.
- Pharmacy benefit claims adjudication.
- Other services related to the member's pharmacy benefit.

Effective January 1, 2021, as a provider serving Medi-Cal members, you will need to:

- Engage with Magellan directly to resolve issues with the member's pharmacy prescription benefits for pharmacy services provided on and after January 1, 2021.
- Contact Magellan to establish and set up any required Medi-Cal Rx provider training.

You can learn more about Medi-Cal Rx and training on the Medi-Cal Rx website (https://medi-calrx.dhcs.ca.gov/home/). Content will expand on the Medi-Cal Rx website as January 1, 2021, approaches. Upcoming features may include electronic prior authorization and tools such as drug look-up and eligibility look-up.

What is carved out?

The following services will be carved out of Medi-Cal managed care and transitioned to fee-for-service Medi-Cal when billed on a pharmacy claim:

- Covered outpatient drugs, including physician-administered drugs dispensed by a pharmacy, if a patient normally receives them from a pharmacy
- Medical supplies dispensed by a pharmacy, if a patient normally receives them from a pharmacy
- Enteral nutritional products dispensed by a pharmacy, if a patient normally receives them from a pharmacy

You can view a list of services from Medi-Cal Rx (https://www.dhcs.ca.gov/provgovpart/pharmacy/Pages/Medi-CalRX.aspx).

Health Net will retain responsibility for some services including, but not limited to:

- Overseeing and maintaining care coordination activities for Medi-Cal enrollees.
- Pending further DHCS guidance, providing oversight of clinical aspects of pharmacy adherence, including providing disease and medication management.
- Processing and payment of services billed on medical and institutional claims when approved through Health Net's prior authorization, when applicable. Claims that are processed by a pharmacy should be billed directly to Magellan.

What about inpatient or long-term care pharmacy services?

The transition to fee for service will **not** apply to the provision of pharmacy services in an inpatient or long-term care setting (including skilled nursing facilities and intermediate care facilities). Home infusion providers should bill drugs to Magellan directly.

What is Magellan's role?

Following the transition for pharmacy services provided to members on and after January 1, 2021, Magellan will assume responsibility for pharmacy-related services including, but not limited to:

- Providing claims administration, processing and payment functionalities for all pharmacy services billed on pharmacy claims.
- Pharmacy grievances and appeals.
- Overseeing coordination of benefits with other health coverage, including Medicare.
- Providing utilization management functionalities, including ensuring pharmacy prior authorization adjudication occurs within 24 hours.
- Providing prospective and retrospective drug utilization review (DUR) services.
- Prior authorizations for drugs that require prior authorization as noted in the Drug List.
- Providing drug rebate administration services.

Member notification

Beginning in October 2020, the DHCS is mailing members a letter about the change 90 days prior to the transition. The DHCS will send members a second letter about the change 60 days prior to the transition.

By early December 2020, Health Net will mail affected members a notice of the change. Members will be notified that, starting on January 1, 2021, they will get Medi-Cal covered prescriptions through Medi-Cal Rx instead of Health Net. Members will also be advised that in most cases they will not need to do anything to

continue receiving their medications at their preferred pharmacy. Members and providers who would like more information may visit Medi-Cal Rx (https://www.dhcs.ca.gov/provgovpart/pharmacy/Pages/Medi-CalRX.aspx).

If a member has questions, you can refer them as shown below:

For dates of service on or before December 31, 2020

IF THE MEMBER HAS QUESTIONS ABOUT…	THE MEMBER MAY CONTACT…
Medication or other pharmacy services	Health Net's member services at 1-800-675-6110 (TTY: 711) 24-hours a day, 7 days a week
The mailed notice or general questions about Medi-Cal Rx	Medi-Cal Member Help Line at 1-800-541-5555 (TTY: 1-800-430- 7077), Monday–Friday, 8 a.m.–5 p.m.

For dates of service on or after January 1, 2021

Members can call the Medi-Cal Rx Call Center Line (1-800-977-2273) 24 hours a day, seven days a week, or 711 for TTY, Monday–Friday, 8 a.m.–5 p.m.

Additional information

If you have questions regarding the information contained in this update, contact the Health Net Medi-Cal Provider Services Center within 60 days at 1-800-675-6110.

Last Updated: 10/19/2020

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