

Medi-Cal Pharmacy Benefit Carve Out (Medi-Cal Rx)

Background

On January 7, 2019, Governor Gavin Newsom issued Executive Order N-01-19 (EO-N-01-19) that requires the California Department of Health Care Services (DHCS) to transition Medi-Cal pharmacy services from Managed Care Plans (MCPs) to Medi-Cal fee-for-service effective January 1, 2021. This new program is called Medi-Cal Rx. The State of California has also selected a pharmacy benefits administrator for this new pharmacy program (Magellan Rx).

Effective January 1, 2021, CalOptima Medi-Cal outpatient pharmacy claims will be processed through Magellan Rx instead of MedImpact, and providers will start to follow the state “formulary” or Contract Drug List (CDL) for medication coverage.

Medi-Cal Rx Coverage

Activities covered by the new Medi-Cal Rx program include:

- Claim processing for all pharmacy services billed by pharmacies through Magellan Rx:
 - Medications
 - Enteral nutrition products
 - Some disposable medical supplies
- Pharmacy prior authorizations (PAs)
- Customer Service inquiries for pharmacy issues (beneficiaries and providers)
- Pharmacy network administration

Medi-Cal Rx will not include:

- Medications billed as medical (professional) or institutional claims
- OneCare Connect, OneCare or PACE pharmacy benefits

Transition

To help ensure a smooth transition for Medi-Cal beneficiaries transitioning from MCPs to Medi-Cal Rx, there will be a 180-day transition period to allow continued medication coverage through “grandfathering”. During this transition period, beneficiaries are expected to work with their providers to submit PAs to be able to continue medication coverage or, alternatively, to decide if it is preferable to switch to another Medi-Cal covered drug with no PA requirements. DHCS’ pharmacy transition policy will also continue approved PAs from MCPs through their stated duration up to one year from the date of the PA approval start date.

Education and Training

CalOptima members will receive three written notices about Medi-Cal Rx in October, November and December, as well as outreach calls.

DHCS will be providing additional training materials for providers via the Magellan Medi-Cal Rx website: <https://medi-calrx.dhcs.ca.gov/home>

To learn more about the new Medi-Cal Rx pharmacy transition, sign up for the Medi-Cal Rx Subscription Service. Subscribers receive subject-specific emails for urgent announcements and other updates shortly after they post to the Medi-Cal Rx website.

<https://mcrxsspages.dhcs.ca.gov/Medi-CalRxDHCSgov-Subscription-Sign-Up>