

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE: California
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -PRESCRIBED DRUGS

- I. The Medicaid program restricts coverage of certain covered outpatient drugs through the operation of a prior authorization program. The prior authorization process provides for a turn-around response by telephone, fax, or other telecommunications device within twenty-four hours of receipt of a prior authorization request. In emergency situations, providers may dispense at least a 72-hour supply of medications in accordance with the provisions of Section 1927(d)(5) of the Social Security Act.

- J. The State Agency believes reimbursement to long-term pharmacy providers to be consistent and reasonable with costs reimbursed to other providers. The State Agency maintains an advisory committee known as the Medi-Cal Contract Drug Advisory Committee in accordance with Federal law.

- K. The payment for drug products, including the drug product payment and the dispensing fee, as described in paragraph A and paragraph B, for drug products dispensed on or after March 1, 2011, will be reduced by five percent.