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State/Territory Name: California

State Plan Amendment (SPA) #: 19-0049

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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

February 21, 2020

Mari Cantwell, State Medicaid Director
Department of Health Care Services
P.O. Box 997413, MS 0000
Sacramento, CA 95899-7413

Dear Ms. Cantwell:

The CMS Division of Pharmacy team has reviewed California State Plan Amendment (SPA) 19-0049 received in the San Francisco Regional Operations Group on December 30, 2019. This SPA proposes to allow the state to comply with the Medicaid Drug Utilization Review (DUR) provisions included in Section 1004 of the Substance Use-Disorder Prevention that promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act (P.L. 115-271).

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0049 is approved with an effective date of October 1, 2019. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into California state plan will be forwarded by the San Francisco Regional Operations Group.

If you have any questions regarding this amendment, please contact Mickey Morgan at (410) 786-4048 or mickey.morgan@cms.hhs.gov.

Sincerely,

/s/

Cynthia R. Denemark, R.Ph.
Deputy Director
Division of Pharmacy

cc: Harry Hendrix, Chief, Pharmacy Benefits Division
Trudi Balestreri, Project Manager, Pharmacy Benefits Division
Richard C. Allen, Director, Western Regional Operations Group
Cheryl Young, CMS San Francisco Regional Operations Group

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>1 9 — 0 0 49</u>	2. STATE California
3. PROGRAM IDENTIFICATION: Title IX of the Social Security Act (Medicaid)	
4. PROPOSED EFFECTIVE DATE 10/01/2019	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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 1902(a)(85) and Section 1004 of the SUPPORT Act	7. FEDERAL BUDGET IMPACT a. FFY 2019-2020 \$ 0 b. FFY 2020-2021 \$ 0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Section 4.26, page 74e	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Section 4.26, page 74e

10. SUBJECT OF AMENDMENT
Drug Utilization Review - SUPPORT Act Compliance

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

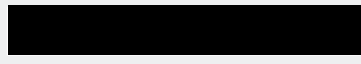
- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

1. 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 Mari Cantwell	
14. TITLE State Medicaid Director	
15. DATE SUBMITTED December 30, 2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED December 30, 2019	18. DATE APPROVED February 21, 2020
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2019	20.  ICIAL
21. TYPED NAME James G. Scott	22. TITLE Director, Division of Program Operations, Medicaid and CHIP Operations Group

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

Revision: HCFA-PM-93-3 (MB)
March 1993

State/Territory: California

Citation

1927 (g)(2)(A)(i)
42 CFR 456.705(b)

2. Prospective DUR is performed using an electronic point of sale claims processing system.

1927 (j)(2)
42 CFR 456.703(c)

J. Hospitals which dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospital's purchasing cost for such covered outpatient drugs.

1902(a)(85) and Section 1004 of the Substance use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)

K. The State complies with the Medicaid-related DUR provisions contained in Section 1004 of the SUPPORT Act via the following:

1. Claim Review Limitations:

- Prospective safety edits on opioid prescriptions to address days' supply, early refills, duplicate fills and quantity limitations for clinical appropriateness.
- Prospective safety edits on maximum daily morphine milligram equivalents (MME) on opioids prescriptions to limit the daily morphine milligram equivalent (as recommended by clinical guidelines).
- Retrospective reviews on opioid prescriptions exceeding these above limitations on an ongoing basis.
- Retrospective reviews on concurrent utilization of opioids and benzodiazepines as well as opioids and antipsychotics on an ongoing periodic basis.

2. Programs to monitor antipsychotic medications provided to children.

Antipsychotic agents are reviewed for appropriateness for all children including foster children based on approved indications and clinical guidelines.

3. Fraud and abuse identification.

The DUR program has established a process that identifies potential fraud or abuse of controlled substances by enrolled individuals, health care providers and pharmacies.