

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1814

Introduced by Assembly Member Waldron

February 18, 2014

~~An act to amend Section 14000 of the Welfare and Institutions Code, relating to Medi-Cal. An act to add Section 14133.06 to the Welfare and Institutions Code, relating to Medi-Cal.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1814, as amended, Waldron. ~~Medi-Cal. Prescriber Prevails Act.~~
Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law specifies the benefits provided pursuant to the program, including the purchase of prescribed drugs which are covered subject to utilization controls. Utilization controls include a requirement that the treatment provider obtain prior authorization for providing medical treatment, as specified.

This bill would, to the extent permitted by federal law, provide that drugs in specified therapeutic drug classes that are prescribed by a Medi-Cal beneficiary's treating provider are covered Medi-Cal benefits. The bill would require, except as specified, that a Medi-Cal managed care plan cover the drug upon demonstration by the provider that the drug is medically necessary and consistent with federal rules and regulations for labeling and use, as specified.

~~Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, and under which~~

~~qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides that it is the intent of the Legislature to provide, to the extent practicable, for health care for those aged and other persons who lack sufficient annual income to meet the costs of health care, and whose other assets are so limited that their application toward the costs of care would jeopardize the person's or family's future minimum self-maintenance and security.~~

~~This bill would make technical, nonsubstantive changes to these provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. This act shall be known, and may be cited as, the*
- 2 *Prescriber Prevails Act.*
- 3 *SEC. 2. Section 14133.06 is added to the Welfare and*
- 4 *Institutions Code, to read:*
- 5 *14133.06. (a) It is the intent of the Legislature in enacting this*
- 6 *section that a prescriber's reasonable, professional judgment*
- 7 *prevails for the therapeutic drug classes specified in subdivision*
- 8 *(b) that are not on managed care plan formularies or have prior*
- 9 *authorization requirements.*
- 10 *(b) To the extent permitted by federal law, if a drug in any of*
- 11 *the following therapeutic drug classes is prescribed by a Medi-Cal*
- 12 *beneficiary's treating provider, that drug shall be covered under*
- 13 *the Medi-Cal program:*
- 14 *(1) Antiretroviral drugs for HIV/AIDS.*
- 15 *(2) Drugs used to treat hepatitis C.*
- 16 *(3) Antipsychotics.*
- 17 *(4) Antirejection drugs.*
- 18 *(5) Drugs used to treat seizures or epilepsy.*
- 19 *(c) Except as provided in subdivision (d), and notwithstanding*
- 20 *the establishment of a statewide outpatient drug formulary, a*
- 21 *Medi-Cal managed care plan shall cover a drug specified in*
- 22 *subdivision (b), regardless of whether the drug is on the plan's*
- 23 *formulary, if, upon demonstration by the provider that the drug,*
- 24 *in his or her reasonable, professional judgment, is medically*
- 25 *necessary and consistent with the federal Food and Drug*

1 Administration's labeling and use rules and regulations, as
2 supported in at least one of the official compendia, as defined in
3 Section 1927(g)(1)(B)(i) of the federal Social Security Act (42
4 U.S.C. Sec. 1396r-8(g)(1)(B)(i)).

5 (1) Medi-Cal managed care plans shall continue to develop
6 formularies and may also administer prior authorization programs
7 for the drugs specified in subdivision (b). Providers prescribing
8 those drugs may be required to provide the plans with requested
9 information or clinical documentation to support prior
10 authorization requests. The plans may continue to provide a
11 temporary three-day supply of medication when medically
12 necessary.

13 (2) Consistent with federal law, if a Medi-Cal managed care
14 plan is unable to complete a prior authorization due to missing
15 information or because the prescriber's reasonable, professional
16 judgment has not been adequately demonstrated, as required under
17 this subdivision, the plan shall issue a notice of action to the
18 provider and the beneficiary. The plan shall include in the notice
19 of action a description of the information that is required from the
20 provider or the beneficiary in order for the plan to complete the
21 authorization, and the beneficiary's rights regarding appeal and
22 fair hearing options.

23 (d) (1) If a Medi-Cal managed care plan chooses not to cover
24 the drugs described in subdivision (b), the drugs shall be carved
25 out of that plan and covered on a fee-for-service basis.

26 (2) If a drug is carved out of a Medi-Cal managed care plan as
27 described in paragraph (1), the plan's contracted rate shall be
28 reduced accordingly.

29 ~~SECTION 1. Section 14000 of the Welfare and Institutions~~
30 ~~Code is amended to read:~~

31 ~~14000. The purpose of this chapter is to afford to qualifying~~
32 ~~individuals health care and related remedial or preventive services,~~
33 ~~including related social services that are necessary for those~~
34 ~~receiving health care under this chapter.~~

35 ~~The intent of the Legislature is to provide, to the extent~~
36 ~~practicable, through the provisions of this chapter, for health care~~
37 ~~for those aged and other individuals, including family members~~
38 ~~who lack sufficient annual income to meet the costs of health care,~~
39 ~~and whose other assets are so limited that their application toward~~
40 ~~the costs of health care would jeopardize the individual's or~~

1 family's future minimum self-maintenance and security. It is
2 intended that whenever possible and feasible:
3 (a) ~~The means employed shall allow, to the extent practicable,~~
4 ~~an eligible individual to secure health care in the same manner~~
5 ~~employed by the public generally, and without discrimination or~~
6 ~~segregation based purely on his or her economic disability. The~~
7 ~~means employed shall include an emphasis on efforts to arrange~~
8 ~~and encourage access to health care through enrollment in~~
9 ~~organized, managed care plans of the type available to the general~~
10 ~~public.~~
11 (b) ~~The benefits available under this chapter shall not duplicate~~
12 ~~those provided under other federal or state laws or under other~~
13 ~~contractual or legal entitlements of the individual or individuals~~
14 ~~receiving them.~~
15 (c) ~~In the administration of this chapter and in establishing the~~
16 ~~means to be used to provide access to health care to individuals~~
17 ~~eligible under this chapter, the department shall emphasize and~~
18 ~~take advantage of both the efficient organization and ready~~
19 ~~accessibility and availability of health care facilities and resources~~
20 ~~through enrollment in managed health care plans and new and~~
21 ~~innovative fee-for-service managed health care plan approaches~~
22 ~~to the delivery of health care services.~~