

**Introduced by Senator Morrell
(Coauthor: Senator Stone)**

February 27, 2015

An act to amend Section 14105.455 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 619, as introduced, Morrell. Medi-Cal.

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, including pharmacy services and drugs. Existing law requires pharmacy providers to submit their usual and customary charge when billing the Medi-Cal program for prescribed drugs.

This bill would make a technical, nonsubstantive change to that provision.

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

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

- 1 SECTION 1. Section 14105.455 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14105.455. (a) Pharmacy providers shall submit their usual
- 4 and customary charge when billing the Medi-Cal program for
- 5 prescribed drugs.
- 6 (b) "Usual and customary charge" means the lower *of either* of
- 7 the following:

- 1 (1) The lowest price reimbursed to the pharmacy by other
2 third-party payers in California, excluding Medi-Cal managed care
3 plans and Medicare Part D prescription drug plans.
- 4 (2) The lowest price routinely offered to any segment of the
5 general public.
- 6 (c) Donations or discounts provided to a charitable organization
7 are not considered usual and customary charges.
- 8 (d) Pharmacy providers shall keep and maintain records of their
9 usual and customary charges for a period of three years from the
10 date the service was rendered.
- 11 (e) Payment to pharmacy providers shall be the lower of the
12 pharmacy's usual and customary charge or the reimbursement rate
13 pursuant to subdivision (b) of Section 14105.45.
- 14 (f) Notwithstanding Chapter 3.5 (commencing with Section
15 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
16 the department may implement, interpret, or make specific this
17 section by means of a provider bulletin or notice, policy letter, or
18 other similar instructions, without taking regulatory action.