

AMENDED IN SENATE JUNE 30, 1997
AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

ASSEMBLY BILL

No. 214

Introduced by Assembly Member Thomson

February 4, 1997

~~An act to add Section 14105.438 to the Welfare and~~ *An act to add Article 5.6 (commencing with Section 14185) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to human services.*

LEGISLATIVE COUNSEL'S DIGEST

AB 214, as amended, Thomson. Medi-Cal managed care plans: prescribed drugs.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Under existing law, one of the methods by which Medi-Cal services are procured is through contracts between the department and managed care plans, as defined.

The Medi-Cal program is this state's version of the federal medicaid program. Federal medicaid provisions permit a state to impose prior authorization requirements for outpatient drugs covered by the program.

This bill would require a managed care plan that has prescribed drugs as one of its benefits and that contracts with

the department to provide ~~Medi-Cal services to comply with these specified services for drugs that are only available with prior authorization requirements under the Medi-Cal program.~~

The bill would also require a managed care plan to permit a Medi-Cal beneficiary enrolled in the plan to continue use of a single-source drug that is part of a prescribed therapy in effect for the beneficiary immediately prior to the date of enrollment, whether or not the drug is covered by the plan, until the prescribed therapy is no longer prescribed by the contracting physician.

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

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

1 ~~SECTION 1. Section 14105.438 is added to the~~
2 ~~Welfare and Institutions Code, to read:~~

3 ~~14105.438.—~~

4 *SECTION 1. Article 5.6 (commencing with Section*
5 *14185) is added to Chapter 7 of Part 3 of Division 9 of the*
6 *Welfare and Institutions Code, to read:*

7

8 *Article 5.6. Drug Utilization Under Medi-Cal*
9 *Managed Care Programs*

10

11 *14185. (a) A managed care plan, as defined in*
12 *accordance with Section 14093.05, that has prescription*
13 *drugs as one of its benefits and that enters into a contract*
14 *with the department pursuant to this chapter or Chapter*
15 ~~*8 (commencing with Section 14200), shall comply with*~~
16 ~~*the prescription drug prior authorization requirements*~~
17 ~~*set forth in Section 1927(d) of the federal Social Security*~~
18 ~~*Act (Section 1396r-8(d) of Title 42 of the United States*~~
19 ~~*Code). 8 (commencing with Section 14200), shall provide*~~
20 *all of the following for drugs prescribed for plan enrollees*
21 *that only are available with the prior authorization of the*
22 *plan:*



1 (1) A response by telephone or other
2 telecommunication device within 24 hours of a request
3 for prior authorization.

4 (2) The dispensing of at least a 72-hour supply of a
5 covered outpatient drug in an emergency situation.

6 (b) A managed care plan, as defined in accordance
7 with Section 14093.05, that has prescription drugs as one
8 of its benefits and that enters into a contract with the
9 department pursuant to this chapter or Chapter 8
10 (commencing with Section 14200), shall permit a
11 Medi-Cal beneficiary enrolled in the plan to continue use
12 of a single-source drug which is part of a prescribed
13 therapy in effect for the beneficiary immediately prior to
14 the date of enrollment, whether or not the drug is
15 covered by the plan, until the prescribed therapy is no
16 longer prescribed by the contracting physician.

