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## Medi-Cal Pharmacy Carveout

Dear Provider,

Effective January 1, 2021, the State of California, through the Department of Health Care Services (DHCS), will transition all pharmacy benefits for Medi-Cal patients from the Health Plan of San Mateo (HPSM) to Fee-for-Service (FFS) Medi-Cal.

- This new FFS delivery system for Medi-Cal pharmacy services will be identified collectively as “Medi-Cal Rx.”
- This change is a result of an Executive Order signed by Governor Gavin Newsom (EO-N-01-19).
- This means that the pharmacy benefits for HPSM Medi-Cal members will no longer be managed by HPSM but by DHCS in partnership with its contracted pharmacy benefits manager (PBM) Magellan.

### Summary of pharmacy benefit changes effective 1/1/2021:

HPSM Patient Population	Benefit	Managing Entity	
		Current	New (1/1/2021)
Medi-Cal	Pharmacy services: billed as a pharmacy claim	HPSM	<b>DHCS/Magellan</b>
	Pharmacy services: billed as a medical and/or institutional claim	HPSM	No change
CareAdvantage	All pharmacy services	HPSM	No change
HealthWorx	All pharmacy services	HPSM	No change

## What’s changing

This transition to Medi-Cal Rx will impact roughly 13 million California Medi-Cal beneficiaries and will result in changes for you as a provider.

### Instead of a formulary, there is a preferred drug list, called the “Medi-Cal Contract Drug List”

The drugs that are preferred under Medi-Cal Rx may be different. To access the Medi-Cal Contract Drug List, you can click here: [dhcs.ca.gov/services/pages/ff.html](http://dhcs.ca.gov/services/pages/ff.html).

To give you and your patients time to adjust to the new preferred drug list, DHCS will provide the following:

- **180-day transition supply:** DHCS will allow for a 180-day transition supply where DHCS will not require a prior authorization for any drug that normally requires one as long as the patient is currently on the drug with HPSM.
- **Honoring existing HPSM prior authorizations for up to 1 year:** DHCS will honor all existing prior authorizations that have been approved by HPSM through their stated duration, not to exceed 1 year.

Drugs covered under the **pharmacy benefit** are typically drugs that can be self-administered orally, can be self-injected, or can be handled at home by a patient. Drugs covered under the **medical benefit** are typically administered in an inpatient setting or in the office of a healthcare professional, by a healthcare professional.

HPSM currently covers both benefits. Starting January 1, 2021 the outpatient pharmacy benefit will be “carved out”, which means it will be managed by Magellan on behalf of DHCS, rather than by HPSM.

## Where and how you submit pharmacy-benefit prior authorization requests will change

You will need to submit a prior authorization (PA) request to allow for payment if:

- The drug you are prescribing is not on the Medi-Cal Contract Drug List; OR
- The drug you are prescribing is on the Medi-Cal Contract Drug list but is flagged as requiring a prior authorization.

You will need to submit PA requests to Magellan, the contracted PBM for DHCS.

You can file a prior authorization in two ways:

- **Online:** submit your request at [medi-calrx.dhcs.ca.gov](https://medi-calrx.dhcs.ca.gov) or via [covermymeds](https://covermymeds.com).
- **Via fax or mail:** for more information on how to do this, please refer to [medi-calrx.dhcs.ca.gov](https://medi-calrx.dhcs.ca.gov).

Magellan's prior authorization requirements, review criteria, and the process for handling authorization denials will differ from what HPSM has required.

For questions regarding prior authorizations, providers can refer to the Medi-Cal Rx website at [medi-calrx.dhcs.ca.gov](https://medi-calrx.dhcs.ca.gov) or they can call the Medi-Cal Rx Customer Service Center beginning January 1, 2021 at 1-800-977-2273.

## How pharmacies bill for prescriptions will change

Pharmacies will need to bill Magellan and not HPSM (or HPSM's PBM SS&C) on or after January 1, 2021.

Pharmacies are to use the following information to bill Magellan:

- BIN: 022659
- PCN: 6334225
- ID #: 14-character BIN located on the patient's BIC card.

For additional details on how to bill Magellan for prescription claims for all Medi-Cal members, please refer to the Medi-Cal Rx website at [medi-calrx.dhcs.ca.gov](https://medi-calrx.dhcs.ca.gov) or call the Medi-Cal Rx Customer Service Center beginning January 1, 2021 at 1-800-977-2273.

## Next steps

### Sign up to receive training

To learn more about Medi-Cal Rx, or receive training on Medi-Cal Rx and the new required web portal, please visit [medi-calrx.dhcs.ca.gov/home/education](https://medi-calrx.dhcs.ca.gov/home/education).

### Sign up for the Medi-Cal Rx web portal

The new Medi-Cal Rx Web portal and training registration is now available for providers to sign up via the Learning Management System, Saba. Providers will need to utilize the User Administration Console (UAC) application—a registration tool that controls and manages the user's access to the Medi-Cal Rx Web Portal and associated applications—at [medi-calrx.dhcs.ca.gov](https://medi-calrx.dhcs.ca.gov).

## Stay informed

Sign up for Medi-Cal Rx updates here: [mcrxsspages.dhcs.ca.gov/Medi-CalRxDHCSgov-Subscription-Sign-Up](https://mcrxsspages.dhcs.ca.gov/Medi-CalRxDHCSgov-Subscription-Sign-Up).

Send questions to the Medi-Cal Rx Education and Outreach team: [medicalrxeducationoutreach@magellanhealth.com](mailto:medicalrxeducationoutreach@magellanhealth.com).

Thank you as always,  
The Health Plan of San Mateo

## What's NOT changing

This will NOT affect:

- all other health care benefits which are currently managed by HPSM.
- any pharmacy services billed as a medical and/or institutional claim instead of a pharmacy claim which will continue to be billed through HPSM.
- any pharmacy benefits for HPSM CareAdvantage or Healthworx patients, which will still be managed by HPSM.