

**Subject:** Medi-Cal Rx Claim Edits and Prior Authorization Reinstatement Plan  
**Date:** Wednesday, June 1, 2022 at 2:26:02 PM Eastern Daylight Time  
**From:** DHCS Reinstatement

On January 1, 2022, the Department of Health Care Services (DHCS) implemented Medi-Cal Rx to transition fee-for-service and managed care Medi-Cal pharmacy benefits and services under a single program administered by Magellan Medicaid Administration (Magellan). Pursuant to Executive Order N-01-19, this transition was designed to:

- Standardize the Medi-Cal pharmacy benefit statewide, under one delivery system;
- Improve access to pharmacy services with a pharmacy network that includes the vast majority of the state's pharmacies;
- Apply statewide utilization management protocols to all outpatient drugs;
- Strengthen California's ability to negotiate state supplemental drug rebates with pharmaceutical manufacturers.

As of May 27, Medi-Cal Rx has processed over 49 million point-of-sale paid claims, supporting delivery of care for over 14 million beneficiaries enrolled in Medi-Cal. The magnitude of this effort has been immense and success to date due largely to your collaboration and commitment to meeting the needs of beneficiaries across the State. DHCS has recognized the implementation challenges faced by the provider community and made the decision in early February to stop select claim edits and lift select prior authorization requirements. This enabled Medi-Cal Rx to stabilize operations and facilitate the safe and timely delivery of pharmacy benefits and services.

Since that time, DHCS and Magellan have gathered information and performed critical analyses to better address the impact to provider payments and beneficiary access to the pharmacy benefit. We have used your feedback in planning a phased approach for reinstatement of safety edits and prior authorizations, and the phasing out of the Transition Policy.

Our goals for the program remain the same. How we operationalize the program going forward focuses on improving the experience for beneficiaries, pharmacists, and prescribers alike. Reducing administrative burden, achieving process efficiencies, and securing access to pharmacy benefits are critical in our measurement of success. Stakeholder feedback which has been fundamental to the reinstatement design will remain a critical component throughout the reinstatement process.

We appreciate your continued support and partnership. We will be providing an overview of the phased approach for reinstatement at stakeholder and association meetings that have been scheduled for this week.

We welcome your feedback to refine the approach to reinstatement. Stakeholders who would like to submit comments may do so through the close of business on Friday, June 10 via email to [Reinstatement@dhcs.ca.gov](mailto:Reinstatement@dhcs.ca.gov).

Regards,

The Medi-Cal Rx Reinstatement Team  
Pharmacy Benefits Division  
California Department of Health Care Services  
[Reinstatement@dhcs.ca.gov](mailto:Reinstatement@dhcs.ca.gov)

*For updates on Medi-Cal Rx, please visit the Department's dedicated websites at*

<https://www.dhcs.ca.gov/provgovpart/pharmacy/Pages/Medi-CalRX.aspx> and [Medi-Cal Rx](#).

We strongly encourage that all Medi-Cal pharmacy stakeholders sign up for news and updates related to Medi-Cal Rx via [Medi-Cal Rx Subscription Service](#).

