An act to amend Section 14133.1 of, and to add Section 14133.24 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL’S DIGEST

AB 1178, as introduced, Irwin. Medi-Cal: serious mental illness: drugs.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services and under which health care services are provided to qualified low-income persons pursuant to a schedule of benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Under existing law, the provision of prescription drugs is a Medi-Cal benefit, subject to the list of contract drugs and utilization controls. After a determination of cost benefit, existing law requires the Director of Health Care Services to modify or eliminate the requirement of prior authorization as a control for treatment, supplies, or equipment that costs less than $100, except for prescribed drugs.

This bill would delete the prior authorization requirement for any drug prescribed for the treatment of a serious mental illness, as defined, for a period of 365 days after the initial prescription has been dispensed for a person over 18 years of age who is not under the transition jurisdiction of the juvenile court. The bill would require the department to automatically approve a prescription for a drug for the treatment of a serious mental illness if the department verifies a record of a paid claim that documents a diagnosis of a serious mental illness within 365
days before the date of that prescription for a person over 18 years of age who is not under the transition jurisdiction of the juvenile court. The bill would require the department to authorize a pharmacist to dispense a 90-day supply of a drug prescribed for the treatment of a serious mental illness if that prescription drug is included in the Medi-Cal list of contract drugs and the prescription otherwise conforms to applicable formulary requirements, including that the patient has filled at least a 30-day supply for the same prescription in the previous 90 days, and to dispense an early refill prescribed for the treatment of a serious mental illness if that prescription drug is included in the Medi-Cal list of contract drugs and the prescription otherwise conforms to prescribed standards, such as limiting the number of refills to no more than 3 in a calendar year.


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

SECTION 1. Section 14133.1 of the Welfare and Institutions Code is amended to read:

14133.1. (a) The director shall determine which of the utilization controls in Section 14133 shall be applied to any specific service or group of services which are subject to utilization controls. Each utilization control shall be reasonably related to the purpose for which it is imposed.

(b) Except as provided in Sections 14103.6 and 14133.15, neither prior authorization nor the limitation specified in subdivision (d) of Section 14133 shall be required for the first two services per month which are included among the services listed in subdivision (a) of Section 14132, or for the first two drug prescriptions purchased during any one month, provided that the prescription drugs are included in the Medi-Cal Drug Formulary and the prescription otherwise conforms to applicable formulary requirements.

(c) The director shall, after a determination of cost benefit, modify or eliminate the requirement of prior authorization as a control for treatment, supplies, or equipment which costs less than one hundred dollars ($100), except for prescribed drugs, other than those prescribed drugs specified in Section 14133.24, provided that the requirement of prior
authorization for treatment, supplies, or equipment may be
reinstated upon a finding by the department that the elimination
of the requirement has resulted in unnecessary utilization, and
upon notice to the Joint Legislative Budget Committee 30 days
prior to before the reinstitution of the requirement of prior
authorization. Modification of the utilization controls may include
establishing prior authorization review thresholds at levels other
than one hundred dollars ($100) if indicated by the cost-benefit
analysis.

SEC. 2. Section 14133.24 is added to the Welfare and
Institutions Code, to read:

14133.24. (a) (1) For purposes of this section, “serious mental
illness” means a mental disorder, as identified in the most recent
edition of the Diagnostic and Statistical Manual of Mental
Disorders, that meets all of the following:

(A) Is severe in degree and persistent in duration.

(B) Presents a major risk to the person’s health and well-being.

(C) Causes behavioral functioning that interferes substantially
with the primary activities of daily living and that results in an
inability to maintain stable adjustment and independent functioning
without treatment, support, and rehabilitation for a long or
indefinite period of time.

(2) Serious mental illness may include, but is not limited to,

schizophrenia, bipolar disorder, post-traumatic stress disorder, a

major affective disorder, and any other severely disabling mental
disorder.

(b) Prior authorization shall not be required for a drug prescribed
for the treatment of a serious mental illness for a period of 365
days after the initial prescription has been dispensed for a person
over 18 years of age who is not under the transition jurisdiction
of the juvenile court as described in Section 450.

(c) The department shall automatically approve a prescription
for a drug for the treatment of a serious mental illness if the
department verifies a record of a paid claim that documents a
diagnosis of a serious mental illness within 365 days before the
date of that prescription for a person over 18 years of age and who
is not under the transition jurisdiction of the juvenile court as
described in Section 450.

(d) The department shall authorize a pharmacist to dispense a
90-day supply of a drug prescribed for the treatment of a serious
mental illness if that prescription drug is included in the Medi-Cal list of contract drugs and the prescription otherwise conforms to applicable formulary requirements pursuant to all of the following:

1. The patient is over 18 years of age.
2. All required utilization controls have been met.
3. The patient has filled at least a 30-day supply for the same prescription in the previous 90 days.

(e) The department shall authorize a pharmacist to dispense an early refill of a drug prescribed for the treatment of a serious mental illness if that prescription drug is included in the Medi-Cal list of contract drugs and the prescription otherwise conforms to applicable formulary requirements pursuant to all of the following:

1. For a 30-day supply, the dispensing takes place at least 23 days after, but not more than 30 days after, either of the following:
   A. The original date that the prescription was distributed to the beneficiary.
   B. The date of the most recent refill was distributed to the beneficiary.
2. The number of early refills shall not exceed three in a calendar year.