

ASSEMBLY BILL

No. 1178

Introduced by Assembly Member Irwin

February 18, 2021

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.

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 14133.1 of the Welfare and Institutions
 2 Code is amended to read:
 3 14133.1. (a) The director shall determine which of the
 4 utilization controls in Section 14133 shall be applied to ~~any a~~
 5 specific service or group of services ~~which that~~ are subject to
 6 utilization controls. Each utilization control shall be reasonably
 7 related to the purpose for which it is imposed.
 8 (b) Except as provided in Sections 14103.6 and 14133.15,
 9 neither prior authorization nor the limitation specified in
 10 subdivision (d) of Section 14133 shall be required for the first two
 11 services per month ~~which that~~ are included among the services
 12 listed in subdivision (a) of Section 14132, or for the first two drug
 13 prescriptions purchased during any one month, provided that the
 14 prescription drugs are included in the Medi-Cal Drug Formulary
 15 and the prescription otherwise conforms to applicable formulary
 16 requirements.
 17 (c) ~~The director shall, after~~ *After* a determination of cost benefit,
 18 *the director shall* modify or eliminate the requirement of prior
 19 authorization as a control for treatment, supplies, or equipment
 20 ~~which that~~ costs less than one hundred dollars (\$100), except for
 21 prescribed drugs, *other than those prescribed drugs specified in*
 22 *Section 14133.24*, provided that the requirement of prior

1 authorization for treatment, supplies, or equipment may be
2 reinstated upon a finding by the department that the elimination
3 of the requirement has resulted in unnecessary utilization, and
4 upon notice to the Joint Legislative Budget Committee 30 days
5 ~~prior to~~ *before* the reinstatement of the requirement of prior
6 authorization. Modification of the utilization controls may include
7 establishing prior authorization review thresholds at levels other
8 than one hundred dollars (\$100) if indicated by the cost-benefit
9 analysis.

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

12 14133.24. (a) (1) For purposes of this section, “serious mental
13 illness” means a mental disorder, as identified in the most recent
14 edition of the Diagnostic and Statistical Manual of Mental
15 Disorders, that meets all of the following:

- 16 (A) Is severe in degree and persistent in duration.
- 17 (B) Presents a major risk to the person’s health and well-being.
- 18 (C) Causes behavioral functioning that interferes substantially
19 with the primary activities of daily living and that results in an
20 inability to maintain stable adjustment and independent functioning
21 without treatment, support, and rehabilitation for a long or
22 indefinite period of time.

23 (2) Serious mental illness may include, but is not limited to,
24 schizophrenia, bipolar disorder, post-traumatic stress disorder, a
25 major affective disorder, and any other severely disabling mental
26 disorder.

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

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

39 (d) The department shall authorize a pharmacist to dispense a
40 90-day supply of a drug prescribed for the treatment of a serious

- 1 mental illness if that prescription drug is included in the Medi-Cal
2 list of contract drugs and the prescription otherwise conforms to
3 applicable formulary requirements pursuant to all of the following:
- 4 (1) The patient is over 18 years of age.
 - 5 (2) All required utilization controls have been met.
 - 6 (3) The patient has filled at least a 30-day supply for the same
7 prescription in the previous 90 days.
- 8 (e) The department shall authorize a pharmacist to dispense an
9 early refill of a drug prescribed for the treatment of a serious mental
10 illness if that prescription drug is included in the Medi-Cal list of
11 contract drugs and the prescription otherwise conforms to
12 applicable formulary requirements pursuant to all of the following:
- 13 (1) For a 30-day supply, the dispensing takes place at least 23
14 days after, but not more than 30 days after, either of the following:
 - 15 (A) The original date that the prescription was distributed to
16 the beneficiary.
 - 17 (B) The date of the most recent refill was distributed to the
18 beneficiary.
 - 19 (2) The number of early refills shall not exceed three in a
20 calendar year.