

Medi-Cal Cut Update

We have several items to update related to CPhA's response to the Medi-Cal 10% provider cut.

On Tuesday, CPhA met with the Department of Health Care Services (DHCS) to gain answers to the two-page list of questions we submitted the day after the cuts were announced. DHCS could not definitively answer any of the questions because there are still internal discussions occurring at DHCS and they themselves do not know the answers. However, DHCS shared the following information:

- There is no set timeframe for implementation, however DHCS indicated that they are working with ACS on the prospective cuts first, which will likely occur in mid-December. Once in place, DHCS will begin the process of recouping the retroactive payments. No information was provided regarding how the recoupments would be administered.
- Providers will receive notice before the cuts are implemented through provider bulletins. CPhA will also communicate to members when this notice is published.
- DHCS legal staff is evaluating the question whether pharmacies will be violating state law for selling prescriptions at a loss under the 'loss leader' provisions of CA B&P Code 17044.
- The mandatory co-payment request that was part of the budget trailer bill was not part of the approvals received from CMS last week. That co-payment request is still pending.
- DHCS stated that they will be evaluating whether those patients who receive 'specialty' drugs (e.g. oncology, anti-psychotic, HIV/AIDS) experience access challenges and are determining a process for pharmacies to apply for exemptions. No details were provided.
- OTC elimination of cough and cold medications were included as part of the approvals received by CMS and are no longer a covered benefit for patients.

As reported in Friday's Rx Alert, the CPhA board of trustees has approved litigation and is coming to the defense of pharmacists to reject the Medi-Cal cuts. CPhA has joined a coalition of health care providers to file litigation to stop the recent cuts to pharmacy services. **WE NEED YOUR SUPPORT!**

- CPhA has formed an alliance with physicians, dentists, hospitals, and nonemergency transport providers to file litigation to halt these cuts.
- An alliance will ensure the brightest legal minds are working together to stop the implementation of the cuts. In addition to the various association legal teams, the alliance will engage Hooper, Lundy & Bookman to litigate our case. Hooper, Lundy & Bookman is one of the top health care law firms in the country and has represented CPhA and the other providers in numerous prior litigation.
- CPhA will also be retaining a public relations firm to rally patients and communicate to lawmakers about the impact of their actions on Californians.

We are working with an experienced team of lawyers, but as you are aware, this sort of legal and PR action comes with considerable cost. The legal challenge this time will be more difficult than the prior cases. That is why it is important for the community of pharmacy stakeholders in the state to support this effort.

Please consider contributing generously to help us win on your behalf. If you wish, contributions can be made on a monthly basis. Thank you.



There are four ways to contribute:

- Call CPhA directly at **(916) 779-1400** to pay by phone
- Fill out and fax your credit card contribution to **(916) 779-1401**
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\$2,500 annually = \$208.33 monthly

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