

# Medi-Cal Rx State Budget Policy Updates – Frequently Asked Questions (FAQs)

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# Introduction

Pursuant to the enacted [2025-26 State Budget](#), the Department of Health Care Services (DHCS) is implementing a series of Medi-Cal Rx policy updates to reduce pharmacy spending, improve program integrity, and ensure continued, equitable access to quality pharmacy benefits and services. This Frequently Asked Questions (FAQs) document provides guidance and clarification regarding Medi-Cal Rx State budget policy updates.

## General Questions

### 1. What policies are changing as a result of the 2025-26 State Budget?

DHCS will be implementing policy changes that may either exclude certain pharmacy products from coverage or require an approved prior authorization (PA) to obtain coverage for the product. In some cases, the length of coverage may be limited. For more information regarding the specific impact of each policy update, refer to the policy and product-specific sections of this document.

### 2. When will the policy changes take effect?

The policy changes take effect January 1, 2026. Medi-Cal Rx will publish alerts to the [Bulletin & News](#) page on the [Medi-Cal Rx Provider Portal](#) in advance of the upcoming policy changes.

### 3. Whom will the policy changes impact?

Policy updates impact all Medi-Cal members, though some requirements differentiate between adult members 21 years of age and older and pediatric members younger than 21 years of age.

### 4. Will there be a transition period for the impacted policy changes?

No. There will not be a transition period. Medi-Cal Rx will publish alerts to the [Bulletin & News](#) page on the [Medi-Cal Rx Provider Portal](#) in advance (90-60-30 days ahead of effective date and day-of change) to allow pharmacy providers and prescribers to prepare for the upcoming policy changes.

### 5. Where can I find more information about the upcoming Medi-Cal Rx policy changes?

Visit the [Education & Outreach](#) page on the [Medi-Cal Rx Web Portal](#) and select the **State Budget Policy Updates** tab to learn more about the policy updates and access published materials.

Medi-Cal Rx will be hosting Office Hours to address stakeholder questions and review how state budget policy updates will impact Medi-Cal Rx from 12 p.m. to 1 p.m. PT on the following dates:

- December 12, 2025
- December 19, 2025
- January 9, 2026
- January 16, 2026

Refer to the State Budget Policy Updates tab for more information about Office Hours.

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## 6. How is Medi-Cal Rx preparing pharmacy providers and prescribers for the upcoming policy changes?

Beginning in early October 2025, DHCS met with stakeholders to present information about the upcoming changes. Medi-Cal Rx will also be offering a series of Office Hours in December and January to address stakeholder questions and review how state budget policy updates will impact Medi-Cal Rx. Published materials, including links to State resources, Medi-Cal Rx alerts, and the State Budget Policy Updates presentation, have been posted to the State Budget Policy Updates tab on the [Education & Outreach](#) page on the [Medi-Cal Rx Web Portal](#). Additionally, alerts will continue to be published in advance of the upcoming policy changes.

## 7. Are pharmacies allowed to accept discount cards?

Medi-Cal members may not use a discount card with their benefits, and Medi-Cal is the payer of last resort. Members may choose to pay out of pocket and use discount cards that do not have exclusions for Medi-Cal members, which could reduce the cost of the medication.

# Coverage for Over-the-Counter (OTC) COVID-19 Antigen Tests

## 8. What policy changes will be implemented for OTC COVID-19 antigen tests?

The policy as of January 1, 2026, is that OTC COVID-19 antigen tests will require a PA request for all Medi-Cal members, regardless of age or program enrollment, unless written by a California Children's Services (CCS) Panelled Provider for a pediatric member younger than 21 years of age.

PAs will only be approved for a one-time override and cannot be renewed. Approvals are limited to up to four tests per 30 days. Test kits may be prescribed by pharmacists and obtained at point-of-sale (POS) pharmacy locations.

Pharmacy providers and prescribers must include the following information with the PA request within the first seven days of symptom onset, exposure from asymptomatic individuals, or other reason to suspect COVID-19:

- *International Classification of Diseases – 10<sup>th</sup> Revision* (ICD-10) diagnosis code
- Signs and symptoms exhibited
- Date of most recent COVID-19 test taken
- Documentation of medical necessity, such as recent exposure, active signs and symptoms, previous diagnosis, or suspected ongoing infection

Additional information regarding OTC COVID-19 antigen test coverage will be provided in the updated *Medi-Cal Rx Provider Manual* after January 1, 2026.

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**9. If I am a CCS Paneled Provider, do I need to submit a PA request for my pediatric patient who has been exposed to COVID-19?**

No. You will not be required to submit a PA request, pursuant to the CCS Panel Authority policy.

## **Exclusion of GLP-1 Drugs for Weight Loss**

**10. What policy changes will be implemented for GLP-1 drugs?**

As announced in the alert titled [GLP-1 Coverage Considerations](#), effective January 1, 2026, the following drugs will no longer be eligible for coverage for **weight loss** or **weight loss-related indications**:

- Wegovy®
- Zepbound®
- Saxenda®
- Ozempic®
- Rybelsus®
- Mounjaro®
- Victoza®
- Byetta
- Bydureon®
- Trulicity®

**Note:** Claims submitted for Wegovy, Zepbound, or Saxenda with a date of service (DOS) on or after January 1, 2026, will deny with Reject Code 70 – Product/Service Not Covered with the supplemental message *“GLP-1s for weight loss are not covered. For EPSDT or other FDA approved indications, submit a PA establishing medical necessity. Not a Medi-Cal Rx covered pharmacy benefit.”*

**11. Which GLP-1 drugs will Medi-Cal Rx continue to cover and what is required for coverage consideration?**

Medi-Cal Rx will continue to cover the following drugs when used for type 2 diabetes when submitted with the appropriate ICD-10 diagnosis code:

- Ozempic
- Rybelsus
- Mounjaro
- Victoza
- Byetta
- Bydureon
- Trulicity

Claims not submitted with the appropriate ICD-10 diagnosis code will deny with Reject Code 80 – Diagnosis Code Submitted Does Not Meet Drug Coverage Criteria. PA requests

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submitted for non-weight loss-related indications will be reviewed for coverage consideration based on medical necessity.

Providers should refer to the alert titled [How to Address Reject Code 80 – Diagnosis Code Submitted Does Not Meet Drug Coverage Criteria](#) for additional information about resolving this reject code.

PA requests for Wegovy and Zepbound will be considered in the following situations:

- Wegovy when used for noncirrhotic metabolic dysfunction-associated steatohepatitis (MASH) or cardiovascular disease
- Zepbound when used for obstructive sleep apnea (OSA)

## **12. Will GLP-1 drugs for weight loss be covered for members younger than 21 years of age?**

For members younger than 21 years of age, Medi-Cal Rx will review PA requests for GLP-1 drugs for medical necessity on a case-by-case basis, pursuant to the federal Early and Periodic Screening, Diagnostic, and treatment (EPSDT) benefit.

**Note:** GLP-1 drugs for weight loss are excluded for members 21 years of age and older.

## **13. If I am a CCS Paneled Provider, will the CCS Panel Authority policy enable me to prescribe GLP-1 drugs for my pediatric patient for weight loss without submitting a PA request?**

No. The CCS Panel Authority policy does not apply to GLP-1 drugs. The CCS Panel Authority policy enables CCS Paneled Providers to prescribe for members 20 years of age and younger without submitting a PA request for drugs/products covered under Medi-Cal Rx, with some exceptions.

The CCS Panel Authority policy covers the PA requirement when all of the following conditions are met:

- The member is younger than 21 years of age.
- The prescription is written by the member’s physician or certified nurse practitioner who has CCS Panel Authority.
- The claim denies with one of the following reject codes:
  - Reject Code 75 – Prior Authorization Required (some exceptions apply)
  - Reject Code 83 – Duplicate Paid/Captured Claim (when submitted for enteral nutrition products)

## **14. Will members using GLP-1 drugs for weight loss receive notification of these upcoming changes?**

Yes. All Medi-Cal members, regardless of whether they have history of GLP-1 drug use, were mailed a letter by November 1, 2025, announcing this policy update. Members who enroll after the release of the letter, through year-end, will also receive notification of the drug exclusion for weight loss and weight-loss indications.

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**15. Will Medi-Cal Rx allow continuing care for patients taking GLP-1 drugs? If not, will Medi-Cal Rx consider exceptions through the PA process?**

The policy as of January 1, 2026, is that continuing care will not apply for GLP-1 drugs used for weight loss or weight loss-related indications. All previously approved PAs for Wegovy, Zepbound, and Saxenda will expire on December 31, 2025.

Continuing care for indications other than weight loss may continue to be covered with an appropriate ICD-10 diagnosis code or approved PA.

Medi-Cal Rx will evaluate PA requests for GLP-1 drugs in the following situations, on a case-by-case basis:

- Based on medical necessity
- For U.S. Food And Drug Administration (FDA)-approved uses other than weight loss
- For members younger than 21 years of age in accordance with the federal EPSDT benefit

**16. Will Medi-Cal Rx cover GLP-1 drugs for non-weight loss-related indications?**

Yes. Medi-Cal Rx will continue to cover GLP-1 drugs when submitted with a clinically appropriate ICD-10 diagnosis code or with an approved PA for an indication other than weight loss.

Refer to **question #11** for more information.

**17. Will Medi-Cal Rx consider off-label indications for both diabetes and weight loss GLP-1 drugs?**

Weight loss and weight loss-related indications are no longer approved justifications for coverage approval. GLP-1 drugs prescribed for the treatment of type 2 diabetes that are currently listed on the [Medi-Cal Rx Contract Drugs List](#) (CDL) may be approved without a PA request. The ICD-10 diagnosis code must be submitted on the pharmacy claim for adjudication.

**18. What are the clinically appropriate ICD-10 diagnosis codes that qualify for coverage of GLP-1 drugs?**

Medi-Cal Rx will continue to cover GLP-1 drugs found on the CDL for the treatment of type 2 diabetes. Refer to the [Medi-Cal Rx Diagnosis Crosswalk](#) for accepted ICD-10 codes. For other indications, excluding weight loss, approved by the FDA, submit a PA request establishing medical necessity.

**19. Are there any body mass index (BMI) ranges that qualify for GLP-1 coverage?**

No. The policy as of January 1, 2026, is that Medi-Cal Rx will no longer cover GLP-1 drugs when used for weight loss or weight loss-related indications, regardless of the member's BMI.

For members younger than 21 years of age, GLP-1 drugs may be covered with an approved PA, on a case-by-case basis, pursuant to the federal EPSDT benefit.

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## **20. My patient has multiple co-morbidities including obesity, hypertension, and diabetes. What options do I have?**

Pharmacy providers and prescribers are encouraged to consider prescribing alternative drugs or connecting the Medi-Cal member with other treatment options that may be used for weight loss. Refer to the [Medi-Cal Rx Approved NDC List](#) for alternative drugs used for weight loss that are covered with an approved PA.

Medi-Cal Rx will continue to cover GLP-1 drugs when they are used for indications approved by the FDA, such as treating type 2 diabetes, atherosclerotic cardiovascular disease, and chronic kidney disease. This coverage is subject to inclusion of a clinically appropriate ICD-10 diagnosis code, utilization controls, and medical necessity requirements for medications listed on the CDL and/or requiring an approved PA to establish medical necessity for coverage.

Medi-Cal members who receive a Notice of Action (NOA) denying coverage for GLP-1 drugs have the right to a State Hearing. Generally, Medi-Cal members have 90 days from the date of the NOA to submit a written request to the California Department of Social Services (CDSS) for a State Hearing, as communicated in the State Hearing rights provided with the NOA. Medi-Cal members who are taking GLP-1 drugs on or before January 1, 2026, who request a State Hearing within 10 days of receiving an NOA denying continued coverage may continue to receive GLP-1 drugs pending a State Hearing decision until the earlier of:

- The end of the period covered by their current PA; or
- The date a State Hearing decision is rendered; or
- The date on which the State Hearing is otherwise withdrawn or closed.

Medi-Cal members denied coverage of a requested Medi-Cal Rx product have the right to a State Hearing. A State Hearing may be requested by contacting the CDSS, State Hearings Division, at the following address:

### [State Hearings](#)

P.O. Box 944243, MS 21-37  
Sacramento, CA 94244-2430

Toll Free: 1-800-743-8525 or 1-855-795-0634

Fax: 1-833-281-0905

Medi-Cal members have the right and are encouraged to consult their primary care provider or prescriber to determine if an appropriate substitute product is available and covered by Medi-Cal Rx.

**21. If a member is 21 years of age or older and currently taking GLP-1 drugs for weight loss or weight loss-related indications, will their drug continue to be covered after December 31, 2025?**

No. The policy as of January 1, 2026, is that GLP-1 drugs used for weight loss or weight loss-related indications will no longer be covered. Claims submitted for these drugs will deny with Reject Code 70 – Product/Service Not Covered with the supplemental message *“GLP-1s for weight loss are not covered. For EPSDT or other FDA approved indications, submit a PA establishing medical necessity. Not a Medi-Cal Rx covered pharmacy benefit.”*

All previously approved PAs for these drugs will expire on December 31, 2025.

Pharmacy providers and prescribers are encouraged to consider prescribing alternative drugs or connecting the Medi-Cal member with other treatment options that may be used for weight loss. Refer to the [Medi-Cal Rx Approved NDC List](#) for alternative drugs used for weight loss that are covered with an approved PA.

**22. Should providers submit PA requests for GLP-1 drugs used for weight loss or weight loss-related indications prior to January 1, 2026?**

No. Providers should not submit new PA requests for weight loss or weight loss-related indications because the policy as of January 1, 2026, is that GLP-1 drugs will no longer be eligible for coverage for this indication.

## **Changes to Continuing Care for Select Medications**

**23. What policy changes will be implemented for continuing care?**

The policy as of January 1, 2026, is that certain drugs and products that are currently paying as continuing care exceptions will no longer be covered without an approved PA demonstrating medical necessity. This policy will apply to all Medi-Cal members. The following drugs and products will be impacted:

- Chlorpromazine 25 mg/ml and 50 mg/2 ml ampules and vials
- Fluphenazine 2.5 mg/ml vial
- Haloperidol deconate 50 mg/ml and 100 mg/ml ampules
- Haloperidol lactate 5 mg/ml ampules, vials, and syringes
- Timolol 0.25% and 0.5% gel-solution
- Timolol maleate 0.25% and 0.5% eye solution
- Bimatoprost 0.03% eye drops
- Adhansia XR (methylphenidate) 25 mg, 35 mg, 45 mg, 55 mg, 70 mg, and 85 mg capsule

The CDL will be updated to remove the “Drugs Removed from Contract Drugs List” section on January 1, 2026. After January 1, 2026, Medi-Cal Rx will provide a 60-day notice prior to removing drugs from the CDL, and the drugs will be subject to PA requirements thereafter.

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# Changes to OTC Product Coverage for Select Medications

## 24. What policy changes will be implemented for select OTC products coverage?

The policy as of January 1, 2026, is that coverage policies for select OTC products for members 21 years of age and older will be updated as follows:

- Multivitamin combination products will no longer be covered.
- Certain single-ingredient vitamins, fexofenadine, and dry eye products will require a PA request demonstrating medical necessity.
- First- and second-generation antihistamines coverage are restricted to generic formulations.
- Prenatal vitamins (limited to use during pregnancy or lactation conditions for Medi-Cal members between 10 and 60 years of age). The initial fill will be approvable for a 30-day supply to ensure the Medi-Cal member can tolerate the vitamin.

**Note:** Vitamins and antihistamine claims will be restricted to a 90- or 100-day supply per fill.

## 25. Where can I find the list of impacted OTC drugs/products?

Refer to the alert titled [60-Day Countdown: Upcoming Changes to Medi-Cal Rx](#) for information about the categories of products impacted. The [Medi-Cal Rx Contract Drugs List – Over-the-Counter-Drugs and Cough/Cold Preparations](#) lists the OTC drugs/products.

## 26. Will there be continuing care for someone who is currently taking one of the impacted OTC products?

No. The policy as of January 1, 2026, is that there will be no continuing care for these products.