



Important Update on Medi-Cal Rx

February 17, 2021

The Department of Health Care Services (DHCS) is delaying the planned Go-Live date of April 1, 2021, for Medi-Cal Rx because of the need to review new conflict avoidance protocols submitted by Magellan Health, Inc. (Magellan), the project's contracted vendor.

In January 2021, Centene Corporation announced that it plans to acquire Magellan. Centene operates – through subsidiaries – managed care plans and pharmacies that participate in Medi-Cal. This transaction was unexpected and requires additional time for exploration of acceptable conflict avoidance protocols to ensure that there will be acceptable firewalls between the corporate entities to protect the pharmacy claims data of all Medi-Cal beneficiaries, and to protect other proprietary information.

Medi-Cal Rx remains of utmost importance to the State of California as a tool to standardize the Medi-Cal pharmacy benefit statewide under one delivery system. It will improve access to pharmacy services with a network that includes approximately 94 percent of the state's pharmacies. Medi-Cal Rx will also apply statewide utilization management protocols to all outpatient drugs, standardizing the experience for all Medi-Cal beneficiaries and providers. In addition, Medi-Cal Rx will strengthen California's ability to negotiate state supplemental drug rebates with drug manufacturers, helping to reduce pharmaceutical costs.

DHCS anticipates providing further information in May. Please note that DHCS will be working to update and/or remove, as applicable, provider guidance and associated Medi-Cal Rx provider bulletins/Newsflash articles in the coming weeks to reflect this change.