



Changes to Medical Supplies Reimbursement Methodology, Effective July 1, 2022

July 8, 2022

Recently, Governor Gavin Newsom signed into effect budget trailer bill language (TBL) that impacts the pharmacy (Medi-Cal Rx) reimbursement methodology for medical supplies. Effective July 1, 2022, Medi-Cal Rx claims for medical supplies with a date of service (DOS) on or after this date are impacted as follows:

- For Medi-Cal Rx contracted Continuous Glucose Monitoring (CGM) Systems and Medi-Cal Rx contracted Disposable Insulin Delivery Devices, which are considered Diabetic Supplies, the reimbursement is now the Maximum Allowable Product Cost price on file for the item, plus a 23 percent dealer markup. Additionally, these products are now exempt from the Assembly Bill 97-mandated 10 percent payment reduction. Please refer to the *Lists* on the [Medi-Cal Rx Web Portal](#) for specific covered product listings.
- Respiratory Supplies, which include inhaled assisted devices (aerochambers) and peak flow meters, are now exempt from the Assembly Bill 97-mandated 10 percent payment reduction.

The *Medi-Cal Rx Provider Manual* will be updated at a later date to reflect these changes. These changes do not apply to any claims with a DOS prior to July 1, 2022.

- List of [Covered Therapeutic Continuous Glucose Monitoring \(CGM\) Systems](#)
- List of [Covered Disposable Insulin Delivery Devices](#)
- List of [Covered Medical Supplies Product Descriptions and Billing Information](#)
- Link to budget TBL for 10 percent reduction exemption: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/622>
- Link to budget TBL for diabetic supplies reimbursement changes: <https://esd.dof.ca.gov/trailer-bill/public/trailerBill/pdf/700>