



# Update: Implementation of Phase I, Wave III – Reinstatement of Prior Authorizations for 11 Drug Classes

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July 26, 2022

## What is Happening?

On May 31, 2022, the Department of Health Care Services (DHCS) announced a proposed plan for reinstatement of claim edits and prior authorizations (PAs), as well as the phasing out of the Transition Policy for Medi-Cal Rx. DHCS presented a three-phase plan that includes reinstatement of PAs for new start medications based upon drug classes. This approach allows providers to initiate PAs on a gradual basis while DHCS continues to grandfather prescriptions with historical claims or PAs.

Phase I, Wave III requires providers to submit PAs for new start medications in 11 identified drug classes (see the appendix in the proposed [Reinstatement Plan](#)). Please note the following modifications:

- Wave III, which was previously targeted for late August, will be implemented **on September 16, 2022** to allow for the September updates to the Contract Drugs List (CDL) to take effect, as well as additional time for provider readiness and education, and analysis of the impact of Phase I, Wave I.
- **New prescriptions for beneficiaries 21 years of age and under, for medications within the 11 drug classes, are excluded.** Specifically, new start prescriptions for children and youth within these 11 drug classes will not be subject to PA reinstatement.
  - **Note:** Medi-Cal Rx product-specific coverage criteria for enteral nutrition products and medical supplies products have not changed or been waived. For prescriptions requiring a PA that do not have an approved PA (or a historical claim) on file, PA requirements will remain in place.

## What is the Rationale for These Decisions?

Feedback from stakeholder engagement has been critical to the design of the reinstatement plan. Over the course of the past six weeks, DHCS reviewed written feedback and participated in multiple meetings with stakeholder groups including those representing beneficiaries, pharmacies, and prescribers. DHCS has committed to a measured approach for implementation of each phase and wave; postponement of Phase I, Wave III enables Medi-Cal Rx to further assess impacts and identify opportunities to improve provider awareness via communication and coordination.

DHCS also recognizes that providers of specialty pediatric services have been significantly impacted by the transition to Medi-Cal Rx. Exclusion of the population 21 years of age and under from Phase I, Wave III prevents additional administrative obligation at this time.

## Next Steps

Medi-Cal Rx will issue more detailed information in the coming weeks. In the meantime, providers are encouraged to prepare for reinstatement of PAs for the 11 drug classes in Phase I, Wave III.

- Share this information with vendors, business partners, and staff who need to know about the upcoming change.
- Review *Section 14.0 – Prior Authorization Overview, Request Methods, and Adjudication of the [Medi-Cal Rx Provider Manual](#)*.
- Assess business processes and workflows to ensure successful submission of PAs.
- Continue to monitor the Medi-Cal Rx Web Portal as additional alerts and bulletins are published.

## Questions?

For claims or PA assistance, you can call the Medi-Cal Rx Customer Service Center (CSC) at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days a year. You can also submit questions via email to Medi-Cal Rx Education & Outreach at [MediCalRxEducationOutreach@magellanhealth.com](mailto:MediCalRxEducationOutreach@magellanhealth.com)