

Date of Hearing: January 13, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
AB 1366 (Flora) – As Amended January 5, 2026

SUBJECT: Reimbursement for pharmacist services.

SUMMARY: Requires advanced practice pharmacists (APPs) enrolled as providers with a health care service plan (health plan), health insurer, or the Medi-Cal program to be reimbursed for medication therapy management (MTM) services. Specifically, **this bill**:

- 1) Requires a health plan or health insurer to pay or reimburse the cost of services performed by an APP if the APP is enrolled as a provider with the plan or insurer.
- 2) Requires the Medi-Cal program to reimburse APP services, including MTM services, at the same fee schedule for physician services.
- 3) Requires the Department of Health Care Services (DHCS) to implement an MTM reimbursement methodology to ensure that Medi-Cal payments are made to eligible APPs, in addition to pharmacies, for MTM pharmacist services.
- 4) Requires DHCS to seek federal approval of a state plan amendment to recognize pharmacists as health care providers at federally qualified health centers (FQHCs) for reimbursement purposes under the Medi-Cal program.

EXISTING LAW:

- 1) Establishes the Department Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 and California Department of Insurance (CDI) to regulate health insurers. [Health and Safety Code (HSC) § 1340, *et seq.* and Insurance Code (INS) § 106, *et seq.*]
- 2) Requires a health plan or insurer, that offers coverage for a service that is within the scope of practice of a duly licensed pharmacist to pay or reimburse the cost of the service performed by a pharmacist at an in-network pharmacy or a pharmacist at an out-of-network pharmacy if the health care service plan has an out-of-network pharmacy benefit. Authorizes payment or reimbursement for a service performed by a duly licensed pharmacist only when all of the following conditions are met:
 - a) The service performed is within the lawful scope of practice of the pharmacist; and,
 - b) The coverage otherwise provides reimbursement for identical services performed by other licensed health care providers. [HSC §1368.5 and INS §10125.1]
- 3) Establishes the Medi-Cal Program, administered by DHCS, to provide comprehensive health benefits to low-income individuals who meet specified eligibility criteria. [Welfare and Institutions Code (WIC) § 14000 *et seq.*]

- 4) Establishes pharmacist services as a benefit under the Medi-Cal program, subject to federal approval. Sets a rate of reimbursement for pharmacist services as 85% of the fee schedule for physician services under the Medi-Cal program. [WIC § 14132.968]
- 5) Requires DHCS to implement an MTM reimbursement methodology for covered pharmacist services related to the dispensing of qualified specialty drugs by an eligible contracting pharmacy. Permits MTM reimbursement only to eligible pharmacies for MTM services. [WIC § 14132.969]
- 6) Defines, for purposes of reimbursement to an FQHC or Rural Health Center (RHC), an FQHC or RHC “visit” as a face-to-face encounter between an FQHC or RHC patient and a physician, physician assistant, nurse practitioner, certified nurse-midwife, clinical psychologist, licensed clinical social worker, licensed professional clinical counselor, or a visiting nurse. A visit also includes a face-to-face encounter between an FQHC or RHC patient and a comprehensive perinatal practitioner providing comprehensive perinatal services, a four-hour day of attendance at an adult day health care center, and any other provider identified in the state plan’s definition of an FQHC or RHC visit. [WIC § 14132.100]
- 7) Establishes licensure for an APP and requires the person to meet all of the following:
 - a) Hold an active license to practice pharmacy that is in good standing; and,
 - b) Satisfy any two of the following criteria:
 - i) Earn certification in a relevant area of practice, including, but not limited to, ambulatory care, critical care, geriatric pharmacy, nuclear pharmacy, nutrition support pharmacy, oncology pharmacy, pediatric pharmacy, pharmacotherapy, or psychiatric pharmacy, from an organization recognized by the Accreditation Council for Pharmacy Education or another entity recognized by Board of Pharmacy (BOP);
 - ii) Complete a postgraduate residency through an accredited postgraduate institution where at least 50% of the experience includes the provision of direct patient care services with interdisciplinary teams; or,
 - iii) Have provided clinical services to patients for at least one year under a collaborative practice agreement or protocol with a physician, APP, pharmacist practicing collaborative drug therapy management, or health system. [Business and Professions Code (BPC) § 4210]
- 8) Allows a pharmacist recognized by the BOP as an APP to do all of the following:
 - a) Perform patient assessments;
 - b) Order and interpret drug therapy-related tests;
 - c) Refer patients to other health care providers;
 - d) Participate in the evaluation and management of diseases and health conditions in collaboration with other health care providers; and,

- e) Initiate, adjust, or discontinue drug therapy, as specified. [BPC § 4052.6]

FISCAL EFFECT: Unknown. This bill has not yet been analyzed by a fiscal committee.

COMMENTS:

1) PURPOSE OF THIS BILL. According to the author, MTM is a proven, cost-effective service that improves patient outcomes, reduces healthcare spending, and addresses chronic disease management gaps—particularly in underserved communities. The author states that pharmacists are uniquely qualified medication experts who help patients manage complex drug regimens, identify harmful interactions, and increase adherence to prescribed treatments. The author continues that these services, whether provided in a community pharmacy, clinic, hospital, or via telehealth, directly reduce emergency room visits, hospitalizations, and avoidable complications. The author argues that limiting reimbursement to services performed within a brick-and-mortar pharmacy ignores the evolving realities of healthcare delivery, especially in the face of widespread pharmacy closures and the expansion of mobile and remote care models. The author concludes that paying pharmacists for MTM regardless of location not only aligns with modern healthcare infrastructure but also ensures equitable access to life-saving services for the Medi-Cal patients who need them most.

2) BACKGROUND.

- a) MTM.** MTM is a strategy to improve health outcomes and detect and prevent costly medication problems. MTM services aim to improve medication adherence, reduce adverse drug events, prevent hospitalizations, and produce measurable cost savings. Numerous studies provided by the author's office offer evidence that MTM programs can reduce total healthcare spending by optimizing therapeutic outcomes, eliminating unnecessary or duplicative medication use, and improving management of chronic conditions such as diabetes, hypertension, and asthma. Current law authorizes pharmacists to be reimbursed for MTM services; however, those services must be provided within or affiliated with a pharmacy. Individual pharmacists, such as those employed in hospitals, FQHCs, rural health clinics, mobile clinics, academic medical centers, and physician practices, are not permitted to bill for these services without affiliation at a pharmacy. This discrepancy in reimbursement structure is impactful as brick-and-mortar pharmacies are rapidly declining across the state. According to research published by the UC Berkeley School of Public Health and the University of Southern California, 1 in 3 pharmacies have closed since 2010 and thousands more closures are expected in the coming years. These closures have created pharmacy deserts that not only impact patient access to prescriptions, but also pharmacist-provided services such as MTM due to reimbursement limitations.
- b) APPs.** Existing law authorizes pharmacists to furnish compounded drug products, transmit a valid prescription to another pharmacist, and administer drugs and biologicals pursuant to a prescriber's order. SB 493 (Hernandez), Chapter 469, Statutes of 2013, expands the scope of pharmacists to authorize them to furnish self-administered hormonal contraceptives, vaccines, nicotine replacement products, and travel medications. Additionally, SB 493 authorizes the BOP to recognize APPs who can perform patient assessments, order and interpret drug therapy-related tests, refer patients to other health care providers, participate in the evaluation and management of diseases

and health conditions in collaboration with other health care providers, and initiate, adjust, or discontinue drug therapy.

- c) **Reimbursement to Pharmacists Would be New for Medi-Cal.** Medi-Cal covers pharmacist services; however, these services are reimbursed to contracting pharmacies, not directly to pharmacists. For pharmacists to receive reimbursement directly, DHCS would likely have to create an enrollment pathway, and pharmacists would have to newly enroll as billing providers. Pharmacists are also similarly not recognized as “reimbursable” providers within an FQHC or RHC if services are provided outside of a pharmacy [see 6) above of Existing Law for the list of recognized providers within an FQHC or RHC setting]. Enrolling and reimbursing advance practice pharmacists directly could improve access to services provided by these pharmacists, such as MTM, and could increase the flexibility of how pharmacists may be used as part of care teams within health care systems.
- 3) **SUPPORT.** The California Society of Health-System Pharmacists (CSHP), sponsors of this bill, state that under current law, pharmacists’ MTM services can generally be reimbursed only when delivered within or affiliated with a brick-and-mortar pharmacy, despite the fact that pharmacists increasingly practice in clinics, hospitals, physician group practices, mobile health units, and other community-based settings. CSHP continues that this outdated restriction fails to reflect modern, team-based care models and has become especially harmful as pharmacy closures accelerate in low-income and rural communities, eliminating primary access points for many Medi-Cal beneficiaries. CSHP argues that this bill addresses this gap by allowing Medi-Cal and health plans to reimburse individual pharmacists enrolled as providers for MTM services regardless of whether those services are delivered in a traditional pharmacy or in another clinical setting. CSHP concludes that by recognizing pharmacists as reimbursable providers in a wider range of settings, this bill will expand access to preventive and chronic care services, improve continuity of care, and advance health equity for patients living in “pharmacy deserts” and other medically underserved communities.

4) PREVIOUS LEGISLATION.

- a) AB 317 (Weber), Chapter 322, Statutes of 2023, requires, instead of permits, a health plan and specified disability insurers that offer coverage for a service that is within the scope of practice of a duly licensed pharmacist to pay or reimburse the cost of services performed by a pharmacist at an in-network pharmacy or by a pharmacist at an out-of-network pharmacy if the health plan or insurer has an out-of-network pharmacy benefit.
- b) AB 1114 (Eggman), Chapter 602, Statutes of 2016, adds to the schedule of Medi-Cal benefits pharmacist services, as specified, subject to DHCS protocols and utilization controls. Requires the rate of reimbursement for pharmacist services to be at 85% of the fee schedule for physician services under the Medi-Cal program and requires DHCS to establish a fee schedule. Authorizes DHCS to implement these provisions by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions, without taking regulatory action, until regulations are adopted, and requires DHCS to adopt those regulations by July 1, 2021. Requires these provisions to be implemented only to the extent that federal financial participation is available and the necessary federal approvals are obtained.

c) SB 493 (Hernandez), Chapter 469, Statutes of 2013, authorizes a pharmacist to administer drugs and biological products that have been ordered by a prescriber. Authorizes pharmacists to perform other functions, including, among other things, to furnish self-administered hormonal contraceptives, nicotine replacement products, and prescription medications not requiring a diagnosis that are recommended for international travelers, as specified. Authorizes pharmacists to order and interpret tests for the purpose of monitoring and managing the efficacy and toxicity of drug therapies, and to independently initiate and administer routine vaccinations, as specified. Establishes BOP recognition for an APP, as defined, and specifies the criteria for that recognition, and specifies additional functions that may be performed by an APP, including, among other things, performing patient assessments, and certain other functions, as specified. Authorizes BOP, by regulation, to set the fee for the issuance and renewal of APP recognition at the reasonable cost of regulating APPs pursuant to these provisions, not to exceed \$300.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Society of Health-System Pharmacists (Sponsor)
City and County of San Francisco
North East Medical Services

Opposition

None on file

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