

Date of Hearing: January 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1366 (Flora) – As Amended January 5, 2026

Policy Committee: Health

Vote: 15 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill requires the Medi-Cal program, a health care service plan (health plan), and a health insurer reimburse an advanced practice pharmacist (APP) for medication therapy management (MTM) services.

Specifically, this bill:

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

FISCAL EFFECT:

- 1) Costs of an unknown amount to DHCS, potentially in the hundreds of thousands of dollars in the first year of implementation to: (a) create a billing pathway for APPs, (b) seek federal approval of a state plan amendment, and (c) develop and implement an MTM reimbursement methodology. Additional costs, potentially in the hundreds of thousands of dollars, ongoing, to reimburse APPs (federal funds, General Fund) in the Medi-Cal program.
- 2) Minor and absorbable costs to the Department of Managed Health Care and the Department of Insurance.

COMMENTS:

- 1) **Purpose.** This bill is sponsored by the California Society of Health-System Pharmacists. 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. Pharmacists are uniquely qualified medication experts who help patients manage complex drug regimens, identify harmful interactions, and increase adherence to prescribed treatments. These services, whether provided in a community pharmacy, clinic, hospital, or via telehealth, directly reduce emergency room visits, hospitalizations, and avoidable complications. 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. Paying pharmacists for MTM regardless of location not only aligns with modern healthcare infrastructure, but also ensures equitable access to life-saving services.

2) **Background. *MTM and Pharmacy Closures.*** MTM services can reduce adverse drug events, improve medication adherence and health outcomes, prevent hospitalizations, and reduce costs. Under existing law, health plans and insurers may reimburse pharmacists for MTM services provided within or affiliated with a pharmacy. However, individual pharmacists, such as those employed in hospitals, FQHCs and other clinics, academic medical centers, and physician practices, are not permitted to bill for these services unless affiliated with a pharmacy. Research indicates one in three pharmacies in the U.S. have closed since 2010, creating pharmacy deserts that limit patient access to prescriptions, as well as pharmacist-provided services such as MTM. Pharmacy closures are expected to continue.

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, authorized pharmacists to furnish self-administered hormonal contraceptives, vaccines, nicotine replacement products, and travel medications. SB 493 also authorized the State Board of Pharmacy to recognize APPs who may 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.

Medi-Cal. Medi-Cal covers pharmacist services in contracting pharmacies. According to the Assembly Health Committee analysis of this bill, to reimburse pharmacists directly, DHCS would likely need to create a pathway whereby pharmacists could enroll as billing providers.

Analysis Prepared by: Allegra Kim / APPR. / (916) 319-2081