

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON HEALTH  
Mia Bonta, Chair  
AB 2565 (Wallis) – As Amended March 19, 2026

**SUBJECT:** Medi-Cal: pharmacist services: reporting.

**SUMMARY:** Requires Medi-Cal managed care plans to submit extensive data and information, and Department of Health Care Services (DHCS) to compile an annual report, on compliance with requirements to cover pharmacist services. Specifically, **this bill:**

- 1) Requires DHCS to report on its compliance, and its contracting Medi-Cal managed care plans' compliance, with law and policy governing reimbursement for pharmacist services.
- 2) Requires the report to include, as specified:
  - a) Utilization data;
  - b) An access analysis and analysis of disparities by geographic area;
  - c) The number of, and analysis of the reasons for, claims denials, by category;
  - d) Reimbursement rates for pharmacist services;
  - e) The results of an audit of managed care plans' provider manuals, billing guidance, and encounter reporting systems for inclusion of pharmacist services and any criteria that are inconsistent with relevant law or policy;
  - f) Average and median number of days for pharmacist claims to be paid;
  - g) Descriptions of oversight and monitoring, enforcement, all corrective actions, and any provider complaints; and,
  - h) Fiscal and public health impact of underutilization of pharmacist services under the Medi-Cal program and estimated cost savings forgone by the state resulting from underutilization of pharmacist services, including, but not limited to, tobacco cessation, hypertension management, contraception, immunizations, and other pharmacist-delivered services.
- 3) Requires the report to include data from any delegated entity, independent physician association, or subcontractor responsible for claims processing, credentialing, or utilization management of pharmacist services.
- 4) Requires, if DHCS determines that a Medi-Cal managed care plan has failed to comply with law or policy governing reimbursement for pharmacist services, DHCS to take appropriate corrective action, including imposing sanctions if DHCS identifies a pattern of noncompliance.

**EXISTING LAW:**

- 1) Establishes the Medi-Cal program, which is administered by DHCS, and under which qualified low-income individuals receive health care services. [Welfare and Institutions Code (WIC) § 14000, *et seq.*]
- 2) Establishes a schedule of benefits under the Medi-Cal program. [WIC § 14131, *et seq.*]
- 3) Specifies coverage of pharmacy services under Medi-Cal, and specifies the rate of reimbursement for these services at 85% of the fee schedule for physician services under Medi-Cal. Specifies the following pharmacy services as a benefit under the Medi-Cal program, subject to federal approval, availability of federal matching funds, and DHCS protocols and utilization controls:
  - a) Furnishing travel medications;
  - b) Furnishing naloxone hydrochloride;
  - c) Furnishing self-administered hormonal contraception;
  - d) Initiating and administering immunizations;
  - e) Providing tobacco cessation counseling and furnishing nicotine replacement therapy;
  - f) Initiating and furnishing preexposure prophylaxis (PrEP) for human immunodeficiency virus (HIV);
  - g) Initiating and furnishing postexposure prophylaxis (PEP) for HIV; and,
  - h) Providing medication therapy management (MTM) pharmacist services. [WIC § 14132.968]
- 4) Establishes requirements for Medi-Cal coverage of pharmacist MTM services. [WIC § 14132.969]

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

**COMMENTS:**

- 1) **PURPOSE OF THIS BILL.** According to the author, the law already requires managed care plans to cover and reimburse pharmacist services for Medi-Cal patients, but plans are not consistently paying for them and patients are not reliably getting them. The author indicates the gap between requirements and reality falls hardest on people in rural communities, underserved urban neighborhoods, and people experiencing homelessness who depend on pharmacists for chronic disease management, medication support, and preventive care. The author states this bill requires managed care plans to report annually on access, utilization, and claims, and directs the DHCS to compile that data and report to the Legislature. According to the author, this bill will ensure that noncompliant plans will be identified and held accountable, eligible patients will get the care the law already promised them, and the state will see the cost savings that comes with greater access to and utilization of pharmacist services.

## 2) BACKGROUND.

- a) **Pharmacist Services.** Academic literature and pharmacy trade associations note pharmacists are among the most accessible, frequently visited and most trusted health-care professionals. This allows them to contribute to disease prevention, including through vaccination, early detection, symptoms alleviation, and chronic condition management. Pharmacists can also facilitate self-care, make referrals, and contribute to medication adherence and responsible use of medicines. During the COVID-19 pandemic, pharmacists emerged as important health care providers in many communities.

California has taken action to expand access to pharmacist services in recent years, passing laws to expand the scope of practice for pharmacists as well as to expand and facilitate reimbursement for pharmacist services through Medi-Cal and commercial health plans. Pharmacists are allowed to provide and bill for a range of services, including furnishing self-administered hormonal contraceptives, nicotine replacement products, and prescription medications not requiring a diagnosis that are recommended for international travelers. They are also allowed to deliver PrEP and PEP for HIV, MTM, and specified vaccines. According to the California Pharmacists Association (CPA), the most direct health impacts of pharmacist services are in chronic disease management through the delivery of MTM to control hypertension, diabetes, heart failure, and asthma, which are conditions that drive a disproportionate share of preventable hospitalizations among Medi-Cal enrollees.

- b) **Medi-Cal Coverage of Pharmacy Services.** Despite pharmacists' standing as highly trained health care providers and the coverage that exists "on paper" for their services, according to the author and sponsor, pharmacists face significant barriers to receiving reimbursement for services.
- i) **Fee-for-Service Medi-Cal.** In the Medi-Cal provider manual's description of coverage under fee-for-service Medi-Cal, DHCS notes it is required to establish reimbursement and policy for pharmacist services provided to a Medi-Cal recipient, including furnishing naloxone, furnishing self-administered hormonal contraception, initiating and administering immunizations, furnishing nicotine replacement therapy, furnishing HIV pre-exposure and post-exposure prophylaxis, furnishing travel medications, and MTM. DHCS states that furnishing pharmacists (the pharmacist ordering the medication) must be enrolled as an ordering, referring and prescribing provider for claims to be reimbursed. Pharmacy services must be billed by a Medi-Cal enrolled pharmacy. However, these services are not billed to Medi-Cal Rx, the state's fee-for-service pharmaceutical drug coverage program; rather, they are billed to the fee-for-service Medi-Cal program using the same claim form as a medical service.
- ii) **Medi-Cal Managed Care.** Most Medi-Cal enrollees receive their health care through Medi-Cal managed care plans, and DHCS issues All-Plan Letters (APLs) to specify plans' obligations under Medi-Cal. According to DHCS APL 24-008 regarding immunization coverage, pharmacist services are on the Medi-Cal schedule of benefits together with authorization for reimbursement for these services, which includes initiating and administering immunizations, as authorized in law and regulation. DHCS states plans must provide pharmacist services as a reimbursable Medi-Cal

benefit when rendered to a member in the outpatient pharmacy setting by a pharmacist who is trained and is providing the service in accordance with the Board of Pharmacy protocols. DHCS notes pharmacist services may be billed to plans on a medical claim for plan members, and that plans must reimburse pharmacy providers for rendering the specified pharmacist services in accordance with the requirements of specified law and regulation.

However, despite the policy stated in the APL, there do not appear to be specific references to coverage of pharmacist services in DHCS's master Medi-Cal managed care contract. Additionally, although some plans' Medi-Cal provider websites acknowledge coverage of pharmacist services, and plan contracts with health care providers may establish such coverage, in reviewing DHCS's Model Evidence of Coverage (EOC)/Member Handbook document and a sample of three Medi-Cal managed care plans' EOC/Member Handbooks, committee staff found none included an explanation of coverage of pharmacist services for Medi-Cal enrollees. Health plans commonly subcontract primary care services to physician groups, which may have their own protocols about how primary care is delivered. However, health plans are required to ensure their subcontractors cover legally mandated services—such as, in this case, pharmacist services. The complexity of health care delivery and the structure of plan subcontracting arrangements for primary care make it more difficult to assess compliance and ensure accountability for coverage of pharmacist services.

- 3) **SUPPORT.** The California Pharmacists Association (CPA) explains that although California authorized pharmacists to provide essential care, inconsistent implementation and billing hurdles have left many Medi-Cal patients without access. CPA argues that a lack of state oversight means that access to pharmacy services is inconsistent, even though it's a covered Medi-Cal benefit. CPA argues that this bill will ensure transparency and enforcement of current law and requirements, requiring annual reporting and holding plans accountable for services they are obligated to pay for under existing law and policy. Finally, CPA notes the bill will lead to better health outcomes for Medi-Cal beneficiaries because it will make pharmacy services, which are largely preventive in nature, more accessible.
- 4) **RELATED LEGISLATION.** AB 2756 (Ahrens) would require DHCS to report data related to the Medi-Cal vision benefit, including utilization and information about providers, as specified. AB 2756 is pending in the Assembly Appropriations Committee.
- 5) **PREVIOUS LEGISLATION.**
  - a) SB 339 (Weiner), Chapter 1, Statutes of 2024, requires a health plan and health insurer to cover PrEP and PEP furnished by a pharmacist, including costs for the pharmacist's services and related testing ordered by the pharmacist, and to reimburse pharmacist services at 100% of the fee schedule for physician services.
  - b) AB 133 (Committee on Budget), Chapter 143, Statutes of 2021, requires DHCS to implement an MTM benefit and reimbursement methodology for covered pharmacist services related to the dispensing of qualified specialty drugs.
  - c) SB 159 (Wiener), Chapter 532, Statutes of 2019, authorizes a pharmacist to initiate and furnish HIV PrEP and PEP, as specified.

- d) AB 1114 (Eggman), Chapter 602, Statutes of 2016, requires specified pharmacy services to be covered under Medi-Cal, and specifies the rate of reimbursement for these services at 85% of the fee schedule for physician services under Medi-Cal.
  - e) SB 493 (Hernandez), Chapter 469, Statutes of 2013, updates Pharmacy Law to authorize pharmacists to perform certain functions according to specified requirements and establishes advanced practice pharmacist recognition under the Board of Pharmacy.
- 6) **AMENDMENTS.** Because DHCS's APLs and model Evidence of Coverage documents do not appear to clearly describe requirements for plan coverage of pharmacist services, the author and committee have agreed to amendments to strike the reporting requirements and instead, as a first step, require DHCS to update such documents to more clearly enumerate plans' obligations to cover such services.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Pharmacists Association

**Opposition**

None on file

**Analysis Prepared by:** Lisa Murawski / HEALTH / (916) 319-2097