
SENATE COMMITTEE ON HEALTH
Senator Akilah Weber Pierson, Chair

BILL NO: AB 2565
AUTHOR: Wallis
VERSION: April 23, 2026
HEARING DATE: June 3, 2026
CONSULTANT: Jen Flory

SUBJECT: Medi-Cal: pharmacist services: reporting.

SUMMARY: Requires the Department of Health Care Services (DHCS) to issue guidance clarifying Medi-Cal plans' obligation to cover pharmacist services; to update its model evidence of coverage to explicitly include coverage of pharmacist services described in state law; and, if DHCS determines that a Medi-Cal plan has failed to comply with state law and guidance on pharmacist services, to take appropriate corrective action pursuant to its existing authority.

Existing law:

- 1) Establishes the Medi-Cal program, which is administered by DHCS, and under which qualified low-income individuals receive health care services. [WIC §14000, et seq.]
- 2) Authorizes the DHCS Director to contract, on a bid or nonbid basis, with any qualified individual, organization, or entity to provide services to, arrange for, or case manage the care of Medi-Cal beneficiaries and establishes managed care models that DHCS contracts with in each county. [WIC §14087.3, §14089, §14087.98, §14087.967, and §14087.5]
- 3) Defines a Medi-Cal managed care plan (Medi-Cal plan) as any individual, organization, or entity that enters into a comprehensive risk contract with DHCS to provide covered full-scope health care services to enrolled Medi-Cal beneficiaries. [WIC §14184.101]
- 4) Establishes a schedule of benefits under the Medi-Cal program, which includes benefits required under federal law and benefits provided at the state's option, both of which are funded with federal and state dollars. [WIC §14132, et seq.]
- 5) Establishes pharmacist services as a Medi-Cal benefit, subject to federal approval, DHCS protocols, and utilization controls, that includes the following services:
 - 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) and postexposure prophylaxis (PEP); and,
 - g) Providing medication therapy management pharmacist services in conjunction with the dispensing of qualified specialty drugs. [WIC §14132.968]
- 6) Sets the reimbursement rate for pharmacist services, except for medication therapy management, at 85% of the fee schedule for physician services. [WIC §14132.968]

- 7) Requires a pharmacist to be enrolled as an ordering, referring, and prescribing provider under the Medi-Cal program prior to rendering a pharmacist service that is submitted by a Medi-Cal pharmacy provider for reimbursement. [WIC §14132.968]
- 8) Establishes requirements for Medi-Cal coverage of pharmacist medication therapy management services. [WIC §14132.969]

This bill:

- 1) Requires DHCS to issue guidance, including, but not limited to, an all-plan letter or similar instruction, clarifying Medi-Cal plan obligations to cover pharmacist services.
- 2) Requires the guidance to include, at a minimum, all of the following:
 - a) Requirements for coverage of pharmacist services consistent with existing law and applicable state plan amendments;
 - b) Expectations for timely and appropriate reimbursement of pharmacist services;
 - c) Requirements for Medi-Cal plans to ensure accountability for coverage of pharmacist services at the delegated entity level, including independent physician associations or other subcontractors, where applicable; and,
 - d) Requirements that coverage of pharmacist services be clearly reflected in provider manuals, billing guidance, and claims processing systems.
- 3) Requires DHCS to update its model evidence of coverage to explicitly include coverage of pharmacist services described in existing law.
- 4) Requires DHCS to take appropriate corrective action pursuant to its existing authority, including enforcement actions and the imposition of sanctions, if DHCS determines that a Medi-Cal plan, or its delegated entity, has failed to comply with state law, applicable state plan amendments, or DHCS guidance issued pursuant to this section.
- 5) Authorizes DHCS to implement this bill via guidance without taking any further regulatory action.

FISCAL EFFECT: According to the Assembly Appropriations Committee, the fiscal effect of this bill is likely minor and absorbable costs to DHCS to issue clarifying guidance and update its model evidence of coverage.

PRIOR VOTES:

Assembly Floor:	77 - 0
Assembly Appropriations Committee:	14 - 0
Assembly Health Committee:	16 - 0

COMMENTS:

- 1) *Author's statement.* According to the author, access to health care should not get caught in a billing system that does not work. For many Medi-Cal patients, a local pharmacist is one of the easiest health care providers to reach. Pharmacists provide a wide range of clinical services, including medication therapy management, immunizations, naloxone, hormonal contraception, tobacco cessation counseling, and PrEP and PEP for HIV prevention. These are services the law already authorizes and funds. The problem is that pharmacists are often not getting paid when they provide them. This bill requires DHCS to issue clear guidance to

Medi-Cal plans on their obligation to cover pharmacist services and to take corrective action when plans fail to comply. This is about making Medi-Cal work the way it is supposed to work for patients, pharmacists, and the communities they serve.

- 2) *Pharmacist services.* Pharmacists in California are authorized to initiate and furnish specified health services. SB 493 (Hernandez, Chapter 469, Statutes of 2013) expanded the scope of practice of a pharmacist to permit pharmacists to furnish certain hormonal contraceptives, nicotine replacement products, and prescription medications for travel, and authorized pharmacists to independently initiate and administer certain vaccines and treatments for severe allergic reactions. AB 1114 (Eggman, Chapter 602, Statutes of 2016) added pharmacist services to the Medi-Cal schedule of benefits, required DHCS to establish a fee schedule for the services, and set the reimbursement rate at 85% of the fee schedule for physician services under the Medi-Cal program. AB 1114 required pharmacists to enroll as an ordering, referring, and prescribing provider prior to rendering a pharmacist service submitted to the Medi-Cal program for reimbursement, and subsequent bills authorized pharmacists to furnish PrEP and PEP and offer medication therapy management (see *prior legislation* below).

According to the Medi-Cal provider manual, treatment authorization requests are not required for pharmacist services, but the pharmacist must document in the medical record the minimum required elements: the regulation required questionnaire; reason for the encounter; appropriateness of therapeutic services provided; applicable test results (e.g. blood pressure, pulse); recipient's relevant medical history; site of service; total time spent with the recipient and time spent on counseling; date, time of service, and identity of pharmacist providing the service; and, action taken as a result of the encounter.

Pharmacist services are not listed however, in the model evidence of coverage that DHCS updates whenever new Medi-Cal benefits are added through legislation or otherwise. Medi-Cal plans then take this template and modify it with plan branding, contacts, and other plan-specific information that consumers need. There is mention of pharmacist services in a recent Medi-Cal plan guidance on immunization requirements, All Plan Letter 24-008, which discusses how Medi-Cal plans must reimburse for pharmacist services when a pharmacist administers a vaccine in an outpatient pharmacy to a plan member. It also provides for reimbursement to pharmacists for vaccines administered through the Vaccines for Children program directly through Medi-Cal Rx. There do not appear to be any other regulations or guidance on Medi-Cal plan payment for pharmacist services.

- 3) *Medi-Cal Rx.* On January 7, 2019, Governor Newsom issued EO N-01-19, which directed the state to take action to reduce the cost of prescription drugs and required DHCS to transition outpatient Medi-Cal prescription drug services from the managed care system to the fee-for-service delivery system under a single statewide system, known as Medi-Cal Rx. The Medi-Cal Rx system began operating in January of 2022. Under Medi-Cal Rx, the state's contracted vendor, Magellan Medicaid Administration, Inc., is responsible for providing claims administration, providing utilization management, administering drug rebate services at DHCS's direction, providing drug utilization review, and operating a call center for providers and beneficiaries. As a result, Medi-Cal plans now have more limited involvement with pharmacies and pharmacists.
- 4) *Related legislation.* AB 2571 (Flora) requires DHCS to reimburse enrolled Medi-Cal pharmacists for pharmacy services; reimburse enrolled advanced practice pharmacists for

medication therapy management services; and, submit a state plan amendment to recognize pharmacists as providers at federally qualified health centers and rural health clinics, as well as require a health plan or health insurer to reimburse the cost of covered services performed by a pharmacist if the pharmacist is enrolled as a provider with the health plan or insurer. *AB 2571 is set for hearing on June 3, 2026 in this committee.*

- 5) *Prior legislation.* AB 1366 (Flora of 2025) was substantially similar to AB 2571. *AB 1366 was held on the Assembly Appropriations suspense file.*

AB 133 (Committee on Budget, Chapter 143, Statutes of 2021), a health trailer bill that, among other things, adds medication therapy management to the Medi-Cal schedule of benefits as a pharmacist service.

SB 159 (Wiener, Chapter 532, Statutes of 2019) adds PrEP and PEP to the list of authorized pharmacist services for health plans and health insurance and to the Medi-Cal schedule of benefits list of pharmacist services.

AB 1114 (Eggman, Chapter 602, Statutes of 2016) requires pharmacist services to be a benefit under the Medi-Cal program, establishes a list of covered pharmacist services that may be provided to a Medi-Cal beneficiary, and requires DHCS to establish a fee schedule for the list of pharmacist services to be 85% of the fee schedule for physician services under the Medi-Cal program.

SB 493 (Hernandez, Chapter 469, Statutes of 2013) expands the scope of practice of a pharmacist to recognize an advanced practice pharmacist, permits pharmacists to furnish certain hormonal contraceptives, nicotine replacement products, and prescription medications for travel, and authorizes pharmacists to independently initiate and administer certain vaccines and treatments for severe allergic reactions.

- 6) *Support.* The California Pharmacists Association writes in support stating that over the past decade, the Legislature has taken important steps to expand access to care by authorizing Medi-Cal reimbursement for pharmacist-provided services, including immunizations, tobacco cessation, hormonal contraception, naloxone, travel medications, and HIV prevention and treatment services. Despite this clear statutory framework, implementation across Medi-Cal plans remains. Pharmacists continue to face significant barriers, including frequent claim denials, unclear or outdated billing guidance, restrictive contracting practices, and widely variable reimbursement rates that undermine the sustainability of providing these services. This bill addresses this gap by requiring DHCS to clearly define plan obligations and enforce compliance. By improving compliance among Medi-Cal plans and enabling patients to receive timely care at pharmacies, the state can reduce reliance on higher-cost physician visits, avoid preventable complications, and decrease unnecessary emergency or acute care utilization, ultimately maximizing value while maintaining access and quality.

SUPPORT AND OPPOSITION:

Support: California Pharmacists Association (sponsor)
California Access Coalition
California Association of Medical Product Suppliers

Oppose: None received.

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