

GOVERNOR'S VETO
AB 2565 (Wallis)
As Enrolled August 24, 2026
2/3 vote

SUMMARY

Requires the Department of Health Care Services (DHCS) to issue guidance clarifying Medi-Cal plans' obligation to cover pharmacist services 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.

Governor's Veto Message

While I support the author's goal of ensuring our Medi-Cal managed care plans (MCPs) receive appropriate guidance and enforcement actions from DHCS when reimbursing providers for pharmacist services, guidance is already underway to address the concerns driving this legislation, making this bill unnecessary. Initial guidance was published in September 2025, and a comprehensive all-plan letter to further clarify MCP pharmacist-services responsibilities will be released in the coming months. These efforts are part of DHCS's existing responsibilities and processes, which do not require additional statutory direction.

COMMENTS

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 preexposure prophylaxis (PrEP) and postexposure prophylaxis (PEP) for human immunodeficiency virus (HIV), medication therapy management (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.

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.

- 1) *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.

- 2) *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.

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.

Arguments in 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 enforcement of current law and requirements. 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.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Senate Appropriations Committee, DHCS estimates costs of \$478,000 (\$239,000 General Fund and \$239,000 federal funds) in 2027-28 and \$451,000 (\$226,000 General Fund and \$225,000 federal funds) ongoing thereafter for state administration.

VOTES

ASM HEALTH: 16-0-0

YES: Bonta, Chen, Addis, Aguiar-Curry, Ahrens, Caloza, Carrillo, Mark González, Johnson, Patel, Patterson, Rogers, Sanchez, Schiavo, Sharp-Collins, Stefani

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Aguiar-Curry, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

ABS, ABST OR NV: Arambula

ASSEMBLY FLOOR: 77-0-3

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Flora, Celeste Rodriguez

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

UPDATED

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