Office of Senate Floor Analyses
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THIRD READING

Bill No: AB 2571
Author: Flora (R)
Amended: 6/8/26 in Senate
Vote: 21

SENATE HEALTH COMMITTEE: 9-0, 6/3/26
AYES: Weber Pierson, Valladares, Caballero, Durazo, Gonzalez, Grove, Menjivar, Padilla, Pérez
NO VOTE RECORDED: Rubio, Smallwood-Cuevas

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 68-0, 4/16/26 (Consent) - See last page for vote

SUBJECT: Reimbursement for pharmacist services

SOURCE: California Society of Health-System Pharmacists

DIGEST: This bill requires a health plan or health insurer to pay or reimburse the cost of covered services performed by a pharmacist if the pharmacist is enrolled as a provider with the health plan or insurer. Requires the Department of Health Care Services to reimburse enrolled Medi-Cal pharmacists for pharmacy services; reimburse enrolled advanced practice pharmacists for medication therapy management services, reimburse advanced practice pharmacists at the same rate as physicians, and submit a state plan amendment to recognize pharmacists as providers at federally qualified health centers and rural health clinics.

ANALYSIS:

Existing law:

1) Establishes the Department of Managed Health Care (DMHC) to regulate health plans under the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act); California Department of Insurance (CDI) to regulate health

and other insurance; and, the Department of Health Care Services (DHCS) to administer the Medi-Cal program. [Health and Safety Code [HSC] §1340, et seq., Insurance Code [INS] §106, et seq., and Welfare and Institutions Code [WIC] §14000, et seq.]

2) Requires a health plan or health insurer covering hospital, medical, or surgical expenses, 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 plan or health insurance has an out-of-network pharmacy benefit. [HSC §1368.5 and INS §10125.1]

3) Requires payment or reimbursement described in 2) above to be made 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;

   b) The coverage otherwise provides reimbursement for identical services performed by other licensed health care providers; and,

   c) This does not require the plan or insurer to pay a claim to more than one provider for duplicate service or limit physician reimbursement. [HSC §1368.5 and INS §10125.1]

4) Establishes pharmacist services as a Medi-Cal benefit, subject to federal approval, DHCS protocols, and utilization controls. [WIC §14132.968]

5) Sets the reimbursement rate for pharmacist services, except for medication therapy management, at 85% of the fee schedule for physician services. [WIC §14132.968]

6) Requires DHCS, subject to an annual appropriation for this express purpose, to implement a medication therapy management reimbursement methodology for covered pharmacist services related to the dispensing of qualified specialty drugs by an eligible pharmacy contracted with DHCS. Defines “medication therapy management” as a distinct service or group of services, as determined by DHCS, that are provided by pharmacists to improve health outcomes of beneficiaries who are at risk of treatment failure due to noncompliance,

nonadherence, or other factors found to negatively affect drug therapy outcomes. [WIC §14132.969]

7) Defines, for purposes of reimbursement to federally qualified health centers and rural health clinics, a "visit" as a face-to-face encounter between a health center or clinic 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 a health center or clinic 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 a federally qualified health center or rural health clinic visit. [WIC §14132.100]

8) Establishes licensure for an advanced practice pharmacist, and requires the person to meet all of the following:

   a) Hold an active license to practice pharmacy issued 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 California Board of Pharmacy;

      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, advanced practice pharmacist, pharmacist practicing collaborative drug therapy management, or health system. [Business and Professions Code (BPC) §4210]

9) Allows a pharmacist recognized by the Board of Pharmacy as an advanced practice pharmacist 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]

This bill:

1) Requires a health plan or health insurer, except for Medi-Cal plans, to pay or reimburse the cost of services performed by a pharmacist if the pharmacist is enrolled as a provider with the health plan or insurer, and the service is similar, rather than identical, to those performed by other licensed providers. Specifies that pharmacists providing services at federally qualified health centers or rural health clinics are included as pharmacists.

2) Requires DHCS to reimburse advanced practice pharmacist services no less than 85% of the fee schedule for physician services under the Medi-Cal program, including for medication therapy management.

3) Authorizes pharmacists to submit for Medi-Cal reimbursement for pharmacist services, rather than just a pharmacy, so long as the pharmacist is an enrolled Medi-Cal provider before providing the service.

4) Authorizes enrolled advanced practice pharmacists, in addition to enrolled Medi-Cal pharmacies, to submit for Medi-Cal reimbursement for medication therapy management services, including those operating at federally qualified health centers or rural health clinics.

5) Requires DHCS to seek federal approval of a state plan amendment to recognize pharmacists as providers at federally qualified health centers and rural health clinics for Medi-Cal reimbursement.

Background

According to the author of this bill:

This bill strengthens pharmacists' role as healthcare providers through expanded reimbursement and integration into Medi-Cal and insurance frameworks. It strengthens the case for pharmacies to operate in underserved areas and improves equitable access to basic and preventive care. Expanding reimbursement options also enables pharmacists to provide services more effectively, reducing hospitalizations, mitigating chronic conditions and improving overall health. This bill makes it viable for pharmacists to continue their work in areas where a brick-and-mortar pharmacy does not exist and promotes equity and continuity of care.

Medication therapy management. The Medi-Cal program has a specific medication therapy management program for Medi-Cal recipients with complex medication therapies, high prescription costs or other risk factors that may result in poor medication adherence as defined by DHCS. Medi-Cal recipients are eligible for these services if they are not in an inpatient or institutional setting, not eligible for Medicare Part D (this service is already covered by Part D plans), are prescribed and are currently taking a qualified specialty drug for a specified chronic or complex disease, are taking five or more chronic medications or have a single medication that Medi-Cal pays more than $75,000 for, are prescribed, and meet one of nine specified categories indicating risks of treatment failure. Eligible recipients must agree to participate in medication therapy management and can opt out at any time. Recipients eligible for the services can have six one-hour encounters per year without prior authorization; more with medical justification.

While state statute and regulations do not specifically refer to medication therapy management in the commercial market for health plans and insurance, coverage of such a service is not precluded. However, state law currently limits coverage of services provided by a pharmacist to those services provided in a pharmacy. This bill would allow pharmacists enrolled with the plan or insurer, rather than just pharmacies, to bill for the benefit, thus enabling pharmacists working in patient care settings to bill. If the plan or insurer covers the service, they must reimburse the contracted pharmacist billing for the service.

Pharmacist health services. In addition to the medication management 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, as specified, and authorized pharmacists to independently initiate and administer certain vaccines and treatments for severe allergic reactions. According

to the Board of Pharmacy, under existing California law and regulation, qualified pharmacists are authorized to initiate and furnish the health services listed below to patients without a prescription:

a) Self-administered hormonal contraception;

b) Emergency contraception;

c) Vaccinations;

d) Travel medications;

e) Nicotine replacement therapy;

f) Naloxone; and,

g) HIV preexposure prophylaxis (PrEP) and postexposure prophylaxis (PEP).

Advanced practice pharmacists. SB 493 also created in statute a recognized category known as an advanced practice pharmacist (or "advanced pharmacist practitioner"). An advanced practice pharmacist must hold an active license to practice pharmacy in good standing and have additional certification, postgraduate study, and experience in providing clinical services under a collaborative practice agreement. A pharmacist recognized by the Board as an advanced practice pharmacist is authorized to 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 pursuant to a specific written order or authorization made by the individual's treating prescriber, and in accordance with the policies, procedures or protocols of the health care facility, home health agency, licensed clinic, health plan or physician. According to the Board of Pharmacy, there are currently 1,433 advanced practice pharmacists. The Medi-Cal provisions of this bill would limit pharmacist reimbursement for medication therapy management services to advanced practice pharmacists when billing outside of a pharmacy setting.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- Unknown ongoing costs, potentially hundreds of thousands, for DHCS for state administration and unknown cost pressures in the Medi-Cal program related to reimbursements for pharmacist services (General Fund and federal funds).
- DMHC anticipates minor and absorbable costs for state administration.

- CDI estimates costs of $3,000 in 2026-27 and $16,000 in 2027-28 for state administration (Insurance Fund).

SUPPORT: (Verified 8/13/2026)

California Society of Health-System Pharmacists (source)
America's Physician Groups
American Society of Health-System Pharmacists
California Academy of Family Physicians
California Access Coalition
California Medical Association
California Pharmacists Association
California Primary Care Association Advocates
California State Board of Pharmacy
City and County of San Francisco
County of Kern, Supervisor Chris Parlier
Keck Medicine of the University of Southern California
National Hispanic Pharmacists Association
Stanford Medicine Children's Health
TrueCare

OPPOSITION: (Verified 8/13/2026)

None received

ARGUMENTS IN SUPPORT: The source of this bill, the California Society of Health-System Pharmacists, writes that under current law, pharmacists' medication therapy management services can generally be reimbursed only when delivered within or affiliated with a brick-and-mortar pharmacy. This outdated restriction fails to reflect modern, team-based care models and has become especially harmful as pharmacy closures have created pharmacy deserts in low-income and rural communities, eliminating primary access points for many Medi-Cal beneficiaries. This bill will enable pharmacists embedded in clinics, federally qualified health centers, rural health centers, hospitals, and telehealth programs to provide comprehensive medication reviews, titrate therapies under collaborative practice agreements, and manage chronic conditions such as diabetes, hypertension, and asthma. They state that medication therapy services have consistently demonstrated improvements in medication adherence, reductions in avoidable hospitalizations and emergency department visits, and overall decreases in health care spending, particularly for high-need Medi-Cal enrollees**.**

ASSEMBLY FLOOR: 68-0, 4/16/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Berman, Bonta, Dixon, Flora, Harabedian, Hart, Hoover, Irwin, Papan, Celeste Rodriguez, Schiavo

Prepared by: Jen Flory / HEALTH / (916) 651-4111
8/14/26 10:32:35

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