GOVERNOR'S VETO
AB 2571 (Flora)
As Enrolled September 1, 2026
2/3 vote

SUMMARY

Requires advanced pharmacist practitioners (APPs) enrolled as providers with a health care service plan (health plan), health insurer, or the Medi-Cal program to be reimbursed for medication therapy management (MTM) services.

Senate Amendments

1) Alter provisions requiring APPs to be recognized as health care providers at federally qualified health centers (FQHCs) and rural health clinics (RHCs) for reimbursement under the Medi-Cal program to be contingent on the Department of Health Care Services (DHCS) seeking federal approval of a state plan amendment. Subjects DHCS' seeking of federal approval upon appropriation by the State.

2) Reduce Medi-Cal payment requirement for APP services from the same as the fee schedule physician services to no less than 85% of the fee schedule for physician services.

3) Clarify that the payment provisions under this bill also apply to pharmacists providing services at FQHCs and RHCs.

Governor's Veto Message
I appreciate the author's intent to improve access to advanced pharmacist services for Medi-Cal members, especially for those seeking care at FQHCs or RHCs. However, this bill would result in millions of dollars in ongoing, annual costs related to FQHC reimbursement, as well as millions in one-time costs to implement the required system changes, neither of which were accounted for in this year's budget.

In partnership with the Legislature this year, my administration enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

COMMENTS

MTM is a strategy to improve health outcomes and detect and prevent costly medication problems. MTM services aim to improve medication adherence, reduce adverse drug events, prevent hospitalizations, and produce measurable cost savings. Numerous studies provided by the author's office offer evidence that MTM programs can reduce total healthcare spending by optimizing therapeutic outcomes, eliminating unnecessary or duplicative medication use, and improving management of chronic conditions such as diabetes, hypertension, and asthma. Current law authorizes pharmacists to be reimbursed for MTM services; however, those services must be provided within or affiliated with a pharmacy. Individual pharmacists, such as those employed in hospitals, FQHCs, rural health clinics, mobile clinics, academic medical centers, and physician practices, are not permitted to bill for these services without affiliation at a

pharmacy. This discrepancy in reimbursement structure is impactful as brick-and-mortar pharmacies are rapidly declining across the state. According to research published by the UC Berkeley School of Public Health and the University of Southern California, 1 in 3 pharmacies have closed since 2010 and thousands more closures are expected in the coming years. These closures have created pharmacy deserts that not only impact patient access to prescriptions, but also pharmacist-provided services such as MTM due to reimbursement limitations.

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, expands the scope of pharmacists to authorize them to furnish self-administered hormonal contraceptives, vaccines, nicotine replacement products, and travel medications. Additionally, SB 493 authorizes the Board of Pharmacy (BOP) to recognize APPs who can 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.

Reimbursement to Pharmacists Would be New for Medi-Cal. Medi-Cal covers pharmacist services; however, these services are reimbursed to contracting pharmacies, not directly to pharmacists. For pharmacists to receive reimbursement directly, DHCS would likely have to create an enrollment pathway, and pharmacists would have to newly enroll as billing providers. Pharmacists are also similarly not recognized as "reimbursable" providers within an FQHC or RHC if services are provided outside of a pharmacy [see 6) of Existing Law in the Assembly Health Committee policy analysis for the list of recognized providers within an FQHC or RHC setting]. Enrolling and reimbursing advance practice pharmacists directly could improve access to services provided by these pharmacists, such as MTM, and could increase the flexibility of how pharmacists may be used as part of care teams within health care systems.

According to the Author
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. The author states that pharmacists are uniquely qualified medication experts who help patients manage complex drug regimens, identify harmful interactions, and increase adherence to prescribed treatments. The author continues that these services, whether provided in a community pharmacy, clinic, hospital, or via telehealth, directly reduce emergency room visits, hospitalizations, and avoidable complications. The author argues that 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. The author concludes that paying pharmacists for MTM regardless of location not only aligns with modern healthcare infrastructure but also ensures equitable access to life-saving services for the Medi-Cal patients who need them most.

Arguments in Support
The California Society of Health-System Pharmacists (CSHP), sponsors of this bill, state that under current law, pharmacists' MTM services can generally be reimbursed only when delivered within or affiliated with a brick-and-mortar pharmacy, despite the fact that pharmacists increasingly practice in clinics, hospitals, physician group practices, mobile health units, and other community-based settings. CSHP continues that this outdated restriction fails to reflect

modern, team-based care models and has become especially harmful as pharmacy closures accelerate in low-income and rural communities, eliminating primary access points for many Medi-Cal beneficiaries. CSHP argues that this bill addresses this gap by allowing Medi-Cal and health plans to reimburse individual pharmacists enrolled as providers for MTM services regardless of whether those services are delivered in a traditional pharmacy or in another clinical setting. CSHP concludes that by recognizing pharmacists as reimbursable providers in a wider range of settings, this bill will expand access to preventive and chronic care services, improve continuity of care, and advance health equity for patients living in "pharmacy deserts" and other medically underserved communities.

Arguments in Opposition
None on file.

FISCAL COMMENTS

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). The Department of Managed Health Care anticipates minor and absorbable costs for state administration. The California Department of Insurance estimates costs of $3,000 in 2026-27 and $16,000 in 2027-28 for state administration (Insurance Fund).

VOTES

ASM HEALTH: 16-0-0
YES: Bonta, Chen, Addis, Aguiar-Curry, Pacheco, Caloza, Carrillo, Mark González, Johnson, Patel, Patterson, Rogers, Sanchez, Schiavo, Sharp-Collins, Stefani

ASM APPROPRIATIONS: 14-0-1
YES: Wicks, Hoover, Arambula, Caloza, Dixon, Fong, Mark González, Krell, Muratsuchi, Pacheco, Pellerin, Solache, Ta, Tangipa
ABS, ABST OR NV: Calderon

ASSEMBLY FLOOR: 68-0-12
YES: 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
ABS, ABST OR NV: Arambula, Berman, Bonta, Dixon, Flora, Harabedian, Hart, Hoover, Irwin, Papan, Celeste Rodriguez, Schiavo

SENATE FLOOR: 40-0-0
YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ASSEMBLY FLOOR: 78-0-1

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, 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: McKinnor

UPDATED

VERSION: September 1, 2026

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