Department of Health Care Services
M E M O R A N D U M

DATE: March 1, 2022

TO: CA Medi-Cal Pharmacy Providers

FROM: Pharmacy Benefits Division
P. O. Box 997413, MS 4604
Sacramento, CA 95899-7413

SUBJECT: Information on Prescription Drug Discount for Medicare Recipients
Senate Bill 393 (2000) for Pharmacies

Background.

On October 10, 1999, Governor Gray Davis signed into law Senate Bill (SB) 393, which established a drug discount program for Medicare beneficiaries. It requires that Medi-Cal pharmacy providers charge eligible Medicare beneficiaries no more than the Medi-Cal reimbursement rate plus a small processing fee. Pharmacies that participate in Medi-Cal must participate in this program.

Who is Eligible for this program?

Anyone who has a Medicare card is potentially eligible. That includes seniors over age 65 and those under age 65 who are disabled and have a Medicare card. Beneficiaries do not have to be on Medi-Cal to qualify for this program.

If a beneficiary has Medicare Part D, this discount program will only apply to their medications if they are in the Part D "coverage gap" or if a particular medication is not on their Part D formulary. (Note: People who are "dually eligible" with both Medi-Cal and Medicare generally do not have a coverage gap.) Over-the-counter and compounded medications are not eligible for the SB 393 program.

There are no forms to fill out. The Medicare recipient just has to request the "SB 393" price and present their Medicare card.

What does this bill mean for Medi-Cal Pharmacy Providers?

As a Medi-Cal pharmacy provider, you are required to honor SB 393 (Medi-Cal reimbursement rate) requests from Medicare recipients provided they meet the following criteria:

- The program covers Medicare patients who **themselves** pay the full drug price.

- If they have prescription drug coverage through an insurance plan, the pharmacy is **not** required to charge the insurance company the Medi-Cal price, even if they are a Medicare patient.

- If they have prescription coverage, it might be advantageous to use the SB 393 program if:
  - They have reached their yearly or monthly prescription maximum paid amount under their insurance program and now have to pay full price for their prescriptions.
  - Their prescription insurance doesn't cover a certain drug prescribed for them.
  - They have a deductible to meet before their coverage begins.
- Medicare recipients do not have to be on Medi-Cal to use SB 393.
- The prescription does not have to be on the Medi-Cal Contract Drug List.

Medication must be provided at the Medi-Cal Reimbursement Rate plus a $0.15 transmission fee, or the pharmacy's usual and customary rate, whichever is lower.

How do I find out what the Medi-Cal Reimbursement Rate is for a medication?

1) You may submit an inquiry via your online system using the following information:

- BIN: 022667
- Transaction Code: B1
- PCN: 393
- Service Provider ID Qualifier: 01
- Service Provider ID: "Your NPI"
- Date of Service: Today
- Software Vendor/Certification ID: required when vendor is certified with Magellan – otherwise submit all zeroes
- Cardholder ID: 999999999   (Only 999999999 accepted)
- Group ID: MediCalRx

The full specifications can be found on the Medi-Cal Rx Provider Portal website in the FI Medi-Cal Rx Payer Specifications starting on Page 117: https://medi-calrx.dhcs.ca.gov/cms/medicalrx/static-assets/documents/provider/forms-and-information/FI_Medi-Cal_Rx_Payer_Specifications.pdf

If you have a question concerning SB 393, please contact the Medi-CalRx Customer Service Center (CSC) at 1-800-977-2273, available 24 hours a day, 7 days a week, 365 days per year.

The CA Board of Pharmacy has information for Medicare recipients on their website at https://www.pharmacy.ca.gov/consumers/medicare_discount.shtml