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County of Sacramento

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September 18, 2019

The Honorable Gavin Newsom
Governor of California
State Capitol Building
Sacramento, CA 95814

RE: Pharmacy Fee-for-Service Reimbursement

Dear Governor Newsom:

On behalf of the Sacramento County Board of Supervisors, I respectfully request that you urge your Administration to rescind the implementation of Department of Health Care Services (DHCS) Medi-Cal rules, which reduce Medi-Cal reimbursement rates for medications and can result in pharmacies shutting down in Sacramento County.

DHCS' rules, effected May 31, 2019, adversely impact Sacramento County's Medi-Cal patients and pharmacies that provide specialty treatments for our residents with cancer, HIV/AIDs, behavioral health challenges, and disabled adults in long-term care facilities. These pharmacies provide long-term injectables, which are a form of anti-psychotic therapy that allows people to function and lasts for two weeks to three months. It is the most effective form of treatment for this population because many are a danger to themselves and others. It is estimated that pharmacies in Sacramento County will lose $15 million a year on this type of medication alone.

DHCS' rules require a two-year retroactive recoupments from pharmacies, which may cause them to close and shift the responsibility and costs to our County pharmacy that does not have the capacity to serve this population. For example, there are 46 independent pharmacies in Sacramento County and the County owns one. Sacramento County has 4,405 HIV patients, 6,744 cancer patients, and 272,600 were diagnosed with some form of mental illness. Our residents are at risk of not receiving treatment and decompensating should pharmacies close due to DHCS' decision.

The repercussions of DHCS' requirement to reduce Medi-Cal reimbursement rates for medications and two-year recoup of pharmacies to the point of shut-down are inconsistent with your administration's goal to expand Medi-Cal coverage. For these reasons, Sacramento County asks that your Administration rescind DHCS' Medi-Cal rules or implement an alternative pricing methodology that will allow these pharmacies to continue to serve the County's most vulnerable population. Please feel free to contact me at (916) 874-4227 or deborde@saccounty.net.

Sincerely,

Elisia De Bord
Governmental Relations and Legislative Analyst

cc: Sacramento County Delegation
Chair and Members, Sacramento County Board of Supervisors
Steve Cruz, Cruz Strategies