



Medi-Cal Rx Billing Policy for Physician Administered Drugs

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The Department of Health Care Services (DHCS) continues to receive reports of impeded access to physician administered drugs (PADs) – including chemotherapeutic agents, anti-rejection medications for organ transplants, and long-acting contraceptives – by providers who believe PADs are a pharmacy benefit and billable to Medi-Cal Rx. This bulletin clarifies how PADs should be billed under Medi-Cal Rx.

- PADs are typically non-self-administered medications dispensed by a health care professional outside of a pharmacy setting. PADs are **always** a medical benefit that should be submitted by the medical provider on a medical claim to either the fee-for-service (FFS) fiscal intermediary or a managed care plan (MCP) as applicable. MCPs or their contracted agents cannot reassign PAD claims across the board, either in full or in part, to be processed through Medi-Cal Rx.
- Depending on the medical necessity, there are few exceptions for a pharmacy provider to order, fill, and bill a non-self-administered drug and send it to an administering provider to dispense the drug appropriately. Most of these exceptions require a pharmacy prior authorization (PA) justifying the medical necessity as to why the medically administered drug needs to be billed as a pharmacy claim. The claim can only be billed through Medi-Cal Rx with an approved PA.
- PA approvals of PADs billed by pharmacy providers are not intended to replace PAD coverage as a medical benefit. PADs will always remain a medical benefit even when they are also available as a pharmacy benefit on a case-by-case basis.
- Medi-Cal beneficiaries should not be directed to go to a pharmacy to obtain PADs unless the individual case is a warranted exception as described above.