



Lessons from California:

Ensuring Medi-Cal Plans Provide Hepatitis C Treatments

June 2015

THE ISSUE:

California covers [outpatient prescription drugs](#) in its Medicaid program (called “Medi-Cal”). For most Medi-Cal beneficiaries, these drugs are provided by a Medi-Cal managed care plan. The plans have some discretion to limit prescriptions through prior authorization, provided that they ensure that beneficiaries have access to drugs for their “medically accepted indications.” In 2013 and 2014, the Federal Drug Administration [approved several new groundbreaking treatments for hepatitis C](#). Previously, treatments for hepatitis C were invasive—requiring individuals in treatment to inject medication under their skin several times per week—and were associated with frequent and serious side effects, including depression, chronic fatigue, nausea, and back pain. Moreover, the older treatments only cured hepatitis C in about 50% of cases. The new treatments are taken orally, have few side effects, and have cure rates of over 90%. But they are also very expensive—with the average treatment regimen costing \$60,000 or more. In June 2014, California’s Medi-Cal agency adopted [utilization criteria](#) for plans to use in determining when to cover the new hepatitis C treatments, but the criteria were very restrictive and limited treatment to the sickest enrollees.

STRATEGY AND ACTIONS:

Throughout 2014, NHeLP and the [Health Consumer Alliance](#) received calls from Medi-Cal managed care enrollees with hepatitis C who were unable to access treatment from their managed care plans. Along with other advocates in California, NHeLP pushed for broader access to hepatitis C treatments and funding was included as part of the [Governor’s 2015-16 budget](#). The Medi-Cal agency is set to release a new utilization policy that plans must follow starting in July 2015. In response to [comments from NHeLP and the Health Consumer Alliance](#), the State released a [new policy](#) that will go into effect on July 1. The new policy will significantly loosen the restrictions on access based on acuity of the illness, and make the new treatments available to many more Medi-Cal managed care enrollees who are diagnosed with hepatitis C. In addition, in response to comments by NHeLP and other advocates, the new policy will no longer limit treatment based on an enrollees’ history of mental illness or substance use disorder, since mental illness and past substance use have not been shown to clinically impact of the effectiveness of treatment.

ADDITIONAL RESOURCES

- [CMS site on Prescription Drugs in Medicaid.](#)
- [Hepatitis C treatment guidelines developed by the American Association for the Study of Liver Diseases \(AASLD\) and the Infectious Diseases Society of America \(IDSA\) in collaboration with the International Antiviral Society—USA \(IAS—USA\).](#)