

PROVIDER Bulletin



KERN HEALTH
SYSTEMS

December 1, 2022

UPDATED

Medi-Cal Rx Physician Administered Drug (PAD) Operations

Dear Provider,

The Department of Health Care Services (DHCS) recently updated language regarding coverage of the Physician Administered Drugs (PADs). PADs can be considered either a medical or pharmacy benefit. There are some drugs that considered to be predominantly a medical benefit and therefore would be expected to be billed as such. These will reject with an error NCPDP Reject 816 and require a prior authorization for consideration. The Medi-Cal Rx Provider Manual has been updated to reflect this. Appendix H has been added listed the drugs that this section applies.

The updated DHCS notice identifying drugs that should be considered a medical benefit rather than a pharmacy benefit can be found here:

https://medi-calrx.dhcs.ca.gov/cms/medicalrx/static-assets/documents/provider/bulletins/2022.12_A_Appendix_H_List_of_PADs_Reject_Code_816.pdf

KHS posts all bulletins on the KHS website, www.kernfamilyhealthcare.com, choose Provider, then Bulletins.

For any questions, please contact your Provider Relations Representative at 1-800-391-2000.

Sincerely,

Melissa McGuire
Deputy Director of Provider Network
Kern Health Systems