

**California Department of Health Care Services
Proposed May Revision Trailer Bill Legislation**

**Medi-Cal Cost Containment Proposal: Tube Fed Only Restriction on Enteral
Nutrition for Adults**

FACT SHEET

Background on the topic (prior legislation, previous budget action, and related matters).

Enteral nutrition benefits are an optional benefit under Title XIX of the Social Security Act. This proposal will limit enteral nutrition products, when used by beneficiaries age 21 years and older, to only those individuals that must be tube fed. A product may be exempted from this limitation when used as part of a therapeutic regimen for patients with conditions for which regular food, or standard processed foods, cannot be consumed without causing risk to the health and/or life of the patient. Such conditions include, but are not limited to, malabsorption syndromes or inborn errors of metabolism.

According to Medi-Cal's State Plan, enteral nutrition products: 1.) Are covered only when supplied by a pharmacy provider upon the prescription of a licensed practitioner within the scope of his or her practice; 2). Enteral Formulae commonly used in providing SNF and ICF level of care is not separately billable; and 3.) Common household items (food) are not covered. The authority for contracting for specific nutrition products is established in *Welfare and Institutions Code Section 14105.8*, chaptered in 2002. All enteral nutrition products require Treatment Authorization Request approval prior to claim submission.

Why is this change needed (i.e., what problem is the language trying to address)?

The proposed changes are needed to reduce expenditures and achieve savings for the Medi-Cal program. The changes will also align the Medi-Cal enteral benefit more closely with the current Medicare benefit, which the federal government limits to those who are tube fed. This proposed policy would also decrease potential abuse of orally consumed nutritional products used as a regular food substitute primarily for the convenience of the beneficiary or caregiver.

Summary of arguments in support.

- Decreases Medi-Cal expenditures for enteral nutrition products
- Preserves the benefit for those beneficiaries who must receive nutrition through a feeding tube.
- Aligns the state benefit more closely with the Medicare benefit

- Reduces risk of fraud and abuse involved in overutilization of standard, commercial, orally consumed nutritional products

Potential for opposition, if yes, why.

The Department reimburses over \$20 million Total Funds annually for enteral products, for patients 21 years of age or older who do not receive the products via a feeding tube, and providers may oppose the elimination due to fiscal impact on their business. Nutritionists may argue that decreased access to the benefit may lead to negative health consequences for some patients.

Is there a BCP associated with this language (yes or no)?

No, this language is not associated with a BCP. This item has been included in the May Estimate.

Any other brief information that is relevant/important to highlight so that one can fully understand the issue that is being presented

Some enteral nutrition products are available through the Food Stamp program. It is possible that some beneficiaries may use Food Stamps to obtain items no longer available through the Medi-Cal program.