

Assembly Bill No. 530

CHAPTER 543

An act to add Section 14123.05 to the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor September 28, 2006. Filed with
Secretary of State September 28, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 530, Plescia. Medi-Cal: withholding payments or suspension: informal hearing.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care services.

Existing law authorizes the department to suspend a provider of service from further participation in the Medi-Cal program in order to protect the health of recipients and the funds appropriated to carry out the Medi-Cal program. The suspension may be for an indefinite or specified period of time, with or without conditions, or imposed with the operation of the suspension stayed or probation granted.

Existing law authorizes the department to withhold payment for any goods, services, supplies, or merchandise upon receipt of reliable evidence of fraud or willful misrepresentation by the provider or the commencement of suspension proceedings.

This bill would require the department to develop, in consultation with provider representatives, including, but not limited to, physician, pharmacy, and medical supplies providers, a process that enables a provider to meet and confer with the appropriate department officials within 30 days after the issuance of a letter notifying the provider of a temporary withhold of payments or a temporary suspension sanction for the purpose of presenting and discussing information and evidence that may impact the department's decision to initiate the sanction or modify or terminate the sanction.

The people of the State of California do enact as follows:

SECTION 1. Section 14123.05 is added to the Welfare and Institutions Code, to read:

14123.05. The department shall develop, in consultation with provider representatives, including, but not limited to, physician, pharmacy and medical supplies providers, a process that enables a provider to meet and confer with the appropriate department officials within 30 days after the

issuance of a letter notifying the provider of a temporary withhold of payments, pursuant to Section 14107.11, or a temporary suspension, pursuant to subdivision (a) of Section 14043.36, for the purpose of presenting and discussing information and evidence that may impact the department's decision to modify or terminate the sanction.

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