

AMENDED IN ASSEMBLY APRIL 17, 2006

AMENDED IN ASSEMBLY MARCH 27, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 2757

Introduced by Assembly Member Evans

February 24, 2006

An act to add Sections 1241.1 and 1265.1 to the Business and Professions Code, and to add Section 14115.41 to the Welfare and Institutions Code, relating to clinical laboratories.

LEGISLATIVE COUNSEL'S DIGEST

AB 2757, as amended, Evans. Primary care clinics.

Existing law provides for the licensure and regulation of clinical laboratories and of primary care clinics by the State Department of Health Services. Under existing law, the department is required to approve a licensure application submitted by a primary care clinic meeting specified criteria for its affiliate clinic if, among other matters, both have the same corporate officers and are owned and operated by the same nonprofit organization with the same board of directors.

This bill would authorize a primary care clinic to apply to the department for licensure of the affiliate's clinical laboratory at the same time as it applies for the affiliate's licensure as a primary care clinic. The bill would also authorize a primary care clinic to use the clinical laboratory of any other primary care clinic that is owned and operated by the same nonprofit organization with the same board of directors. *This bill would further provide that an application submitted*

pursuant to these provisions shall be subject to all applicable laboratory licensing laws and regulations.

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 benefits.

Existing law generally regulates the reimbursement of providers for Medi-Cal program services.

This bill would provide that any provision of law restricting reimbursement for clinical laboratory services to the provider who actually performs those services shall not prohibit reimbursement from being made to a primary care clinic when clinical laboratory services are performed at a different location if the clinic and the laboratory are owned and operated by the same nonprofit corporation and the laboratory services are performed on a specimen collected at the clinic for a clinic patient.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 1241.1 is added to the Business and
2 Professions Code, to read:

3 1241.1. A primary care clinic, *as defined in Section 1200 of*
4 *the Health and Safety Code*, may use the clinical laboratory of
5 any other primary care clinic to perform a clinical laboratory test
6 or examination if both clinics are owned by the same nonprofit
7 organization having the same board of directors and the clinical
8 laboratory is authorized under Section 1265 to perform the test or
9 examination.

10 SEC. 2. Section 1265.1 is added to the Business and
11 Professions Code, to read:

12 1265.1. (a) A primary care clinic submitting an application
13 for licensure of an affiliate pursuant to Section 1218.1 of the
14 Health and Safety Code, may submit at the same time an
15 application for licensure of a clinical laboratory to be located on
16 the premises of, and operated by, the affiliate.

17 (b) *An application for licensure of a clinical laboratory*
18 *submitted pursuant to this section shall be subject to all*
19 *applicable laboratory licensing laws and regulations, including,*

1 *but not limited to, any statutory or regulatory timelines and*
2 *processes for review of a clinical laboratory application.*

3 SEC. 3. Section 14115.41 is added to the Welfare and
4 Institutions Code, to read:

5 14115.41. Notwithstanding any other provision of law
6 restricting reimbursement for clinical laboratory services to the
7 provider who actually performs those services, the restriction
8 shall not prohibit reimbursement from being made to a primary
9 care clinic when clinical laboratory services are performed at a
10 different location if both of the following conditions are met:

11 (a) The clinic and the laboratory performing the services are
12 owned and operated by the same nonprofit corporation.

13 (b) The laboratory services are performed on a specimen
14 collected at the clinic for a clinic patient.

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