

AMENDED IN ASSEMBLY JUNE 22, 2006
AMENDED IN ASSEMBLY JUNE 8, 2006
AMENDED IN ASSEMBLY APRIL 24, 2006
AMENDED IN ASSEMBLY FEBRUARY 14, 2006
AMENDED IN ASSEMBLY JUNE 22, 2005
AMENDED IN SENATE APRIL 18, 2005

SENATE BILL

No. 503

Introduced by Senator Figueroa

February 18, 2005

~~An act to amend Sections 5076 and 5134 of the Business and Professions Code, relating to accountants, and making an appropriation therefor. An act to add Section 14133.231 to the Welfare and Institutions Code, relating to Medi-Cal.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 503, as amended, Figueroa. ~~Accountants: peer review: fees. Medi-Cal: drug benefits.~~

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, including prescription drug benefits.

Existing law provides for the federal Medicare Program, which provides health care benefits, including prescription drug benefits, to persons 65 years of age and older and other specified persons. Under the Medicare Program, prescription drug benefits are obtained through enrollment in a prescription drug plan offered under the

program. Existing law requires Medicare-eligible persons who are also eligible for Medi-Cal prescription drug benefits to obtain those benefits through a prescription drug plan under the Medicare Program, except as specified.

Existing law requires the department, through February 15, 2006, and only to the extent that funds are appropriated for this purpose, to provide drug benefits, when any of specified conditions exists, to a Medicare-eligible person who is also eligible for Medi-Cal prescription drug benefits and who is not able to obtain drug benefits from his or her prescription drug plan under the Medicare Program. Existing law allows the Governor, after that date, and upon notice to the Joint Legislative Budget Committee, to extend coverage for those drug benefits for coverage periods of up to 30 days each, but in no event beyond May 16, 2006.

Existing law requires the department, beginning May 17, 2006, and ending January 31, 2007, and only to the extent that funds are appropriated for this purpose, to provide emergency drug benefits to a Medicare-eligible person who is also eligible for Medi-Cal prescription drug benefits but is unable to obtain drug benefits from his or her Medicare Drug Plan only when one or more of certain conditions are met.

This bill would, commencing January 1, 2007, authorize the department to provide payments to pharmacies to cover the costs of Medicare Drug Plan copayments for a Medicare-eligible person who is also eligible for Medi-Cal prescription drug benefits if specified conditions are met. One of these conditions is that a pharmacy submit a claim that includes a certification, under penalty of perjury, that all of the other conditions exist.

By expanding the crime of perjury, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy, in the Department of Consumer Affairs. Existing law requires a firm that provides attest services, as defined, other than a sole proprietor or a~~

~~small firm, to meet specified peer review requirements prior to the first registration expiration date after July 1, 2008. Existing law requires the board to review whether to implement the peer review program in light of changes in federal and state law or regulations or professional standards, and to report its findings to the Legislature by September 1, 2005. Existing law sets specified fees to be charged by the board.~~

~~This bill would require a firm that provides attest services to meet the peer review requirements within 3 years of the commencement of the peer review program, rather than prior to the first registration expiration date after July 1, 2008. The bill would revise the board's review and reporting requirement to instead require the board to review and evaluate whether to implement the program and to report its findings and recommendations to the Legislature and the department no later than September 1, 2011. The bill would require the board, if it determines that the peer review program should be implemented, to identify the resources necessary for implementation and recommend a date for commencement of the program. The bill would revise the fees to be charged by the board.~~

~~Because this bill may increase fees deposited into the Accountancy Fund, a continuously appropriated fund, it would make an appropriation.~~

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

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

- 1 *SECTION 1. Section 14133.231 is added to the Welfare and*
- 2 *Institutions Code, to read:*
- 3 *14133.231. (a) Beginning January 1, 2007, the department*
- 4 *shall pay all copayments required by drug plans under Part D of*
- 5 *Title XVIII of the Social Security Act (42 U.S.C. Sec. 1395w-101*
- 6 *et seq.) or MA-PD plans under Part C of Title XVIII of the Social*
- 7 *Security Act (42 U.S.C. Sec.1395w-21 et seq.) for generic or*
- 8 *brand name medications for a full-benefit dual eligible*
- 9 *beneficiary, as defined in paragraph (1) of subdivision (h) of*
- 10 *Section 14133.23, if all of the following conditions are met:*
- 11 *(1) Copayments for prescriptions are no greater than the*
- 12 *amounts permitted under the Medicare Modernization Act of*
- 13 *2003.*

1 (2) Payments are made on behalf of the full-benefit dual
2 eligible beneficiary to the pharmacy which dispenses the
3 medication.

4 (3) The pharmacy is an enrolled provider in the Medi-Cal
5 program.

6 (4) The prescription drug plan in which the full-benefit dual
7 eligible beneficiary is enrolled has not waived, limited, or
8 otherwise reduced the required copayments.

9 (5) The full-benefit dual eligible beneficiary for which a claim
10 is filed shall not have reached the catastrophic coverage
11 threshold of five thousand one hundred fifty dollars (\$5,150) per
12 year as described in the Medicare Modernization Act of 2003.

13 (6) To obtain reimbursement from the department a pharmacy
14 shall submit a claim and certify on that claim under penalty of
15 perjury, that the above conditions exist.

16 (b) The department shall develop a process that would allow
17 the department to reimbursement Medi-Cal enrolled pharmacies
18 for the cost of copayments on behalf of full-benefit dual eligible
19 beneficiaries.

20 (c) Any copayments for prescription drugs made available to
21 full-benefit dual eligible beneficiaries under the authority of this
22 section shall not be deemed to be an entitlement.

23 SEC. 2. No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution because
25 the only costs that may be incurred by a local agency or school
26 district will be incurred because this act creates a new crime or
27 infraction, eliminates a crime or infraction, or changes the
28 penalty for a crime or infraction, within the meaning of Section
29 17556 of the Government Code, or changes the definition of a
30 crime within the meaning of Section 6 of Article XIII B of the
31 California Constitution.

32 SECTION 1. ~~Section 5076 of the Business and Professions~~
33 ~~Code is amended to read:~~

34 ~~5076. (a) In order to renew its registration, a firm providing~~
35 ~~attest services, other than a sole proprietor or a small firm as~~
36 ~~defined in Section 5000, shall complete a peer review within~~
37 ~~three years of the commencement of the peer review program~~
38 ~~and no less frequently than every three years thereafter.~~

39 ~~(b) For purposes of this article, the following definitions~~
40 ~~apply:~~

1 (1) ~~“Peer review” means a study, appraisal, or review~~
2 ~~conducted in accordance with professional standards of the~~
3 ~~professional work of a licensee or registered firm by another~~
4 ~~licensee unaffiliated with the licensee or registered firm being~~
5 ~~reviewed. The peer review shall include, but not be limited to, a~~
6 ~~review of at least one attest engagement representing the highest~~
7 ~~level of service performed by the firm and may include an~~
8 ~~evaluation of other factors in accordance with requirements~~
9 ~~specified by the board in regulations.~~

10 (2) ~~“Attest services” include an audit, a review of financial~~
11 ~~statements, or an examination of prospective financial~~
12 ~~information, provided, however, “attest services” shall not~~
13 ~~include the issuance of compiled financial statements.~~

14 (e) ~~The board shall adopt regulations as necessary to~~
15 ~~implement, interpret, and make specific the peer review~~
16 ~~requirements in this section, including, but not limited to,~~
17 ~~regulations specifying the requirements for the approval of peer~~
18 ~~review providers, and regulations establishing a peer review~~
19 ~~oversight committee.~~

20 (d) ~~The board shall review and evaluate whether to implement~~
21 ~~the program specified in this section and shall report its findings~~
22 ~~and recommendations to the Legislature and the department no~~
23 ~~later than September 1, 2011. If the board determines that the~~
24 ~~program specified in this section should be implemented, the~~
25 ~~board shall identify the resources necessary for implementation~~
26 ~~and recommend a date when the program shall commence.~~

27 ~~SEC. 2. Section 5134 of the Business and Professions Code is~~
28 ~~amended to read:~~

29 ~~5134. The amount of fees prescribed by this chapter is as~~
30 ~~follows:~~

31 (a) ~~The fee to be charged to each applicant for the certified~~
32 ~~public accountant examination shall be fixed by the board at an~~
33 ~~amount not to exceed six hundred dollars (\$600). The board may~~
34 ~~charge a reexamination fee not to exceed seventy-five dollars~~
35 ~~(\$75) for each part that is subject to reexamination.~~

36 (b) ~~The fee to be charged to out-of-state candidates for the~~
37 ~~certified public accountant examination shall be fixed by the~~
38 ~~board at an amount not to exceed six hundred dollars (\$600) per~~
39 ~~candidate.~~

1 ~~(e) The application fee to be charged to each applicant for~~
2 ~~issuance of a certified public accountant certificate shall be fixed~~
3 ~~by the board at an amount not to exceed two hundred fifty dollars~~
4 ~~(\$250).~~

5 ~~(d) The application fee to be charged to each applicant for~~
6 ~~issuance of a certified public accountant certificate by waiver of~~
7 ~~examination shall be fixed by the board at an amount not to~~
8 ~~exceed two hundred fifty dollars (\$250).~~

9 ~~(e) The fee to be charged to each applicant for registration as a~~
10 ~~partnership or professional corporation shall be fixed by the~~
11 ~~board at an amount not to exceed two hundred fifty dollars~~
12 ~~(\$250).~~

13 ~~(f) The board shall fix the biennial renewal fee so that,~~
14 ~~together with the estimated amount from revenue other than that~~
15 ~~generated by subdivisions (a) to (e), inclusive, the reserve~~
16 ~~balance in the board's contingent fund shall be equal to~~
17 ~~approximately nine months of annual authorized expenditures.~~
18 ~~Any increase in the renewal fee shall be made by regulation upon~~
19 ~~a determination by the board that additional moneys are required~~
20 ~~to fund authorized expenditures and maintain the board's~~
21 ~~contingent fund reserve balance equal to nine months of~~
22 ~~estimated annual authorized expenditures in the fiscal year in~~
23 ~~which the expenditures will occur. The biennial fee for the~~
24 ~~renewal of each of the permits to engage in the practice of public~~
25 ~~accountancy specified in Section 5070 shall not exceed two~~
26 ~~hundred fifty dollars (\$250).~~

27 ~~(g) The delinquency fee shall be 50 percent of the accrued~~
28 ~~renewal fee.~~

29 ~~(h) The initial permit fee is an amount equal to the renewal fee~~
30 ~~in effect on the last regular renewal date before the date on which~~
31 ~~the permit is issued, except that, if the permit is issued one year~~
32 ~~or less before it will expire, then the initial permit fee is an~~
33 ~~amount equal to 50 percent of the renewal fee in effect on the last~~
34 ~~regular renewal date before the date on which the permit is~~
35 ~~issued. The board may, by regulation, provide for the waiver or~~
36 ~~refund of the initial permit fee where the permit is issued less~~
37 ~~than 45 days before the date on which it will expire.~~

38 ~~(i) On and after January 1, 2006, the annual fee to be charged~~
39 ~~to an individual for a practice privilege pursuant to Section 5096~~

1 shall be fixed by the board at an amount not to exceed one
2 hundred twenty-five dollars (\$125):

3 (j) The fee to be charged for the certification of documents
4 evidencing passage of the certified public accountant
5 examination, the certification of documents evidencing the
6 grades received on the certified public accountant examination,
7 or the certification of documents evidencing licensure shall be
8 twenty-five dollars (\$25):

9 (k) The board shall fix the fees in accordance with the limits of
10 this section and on and after July 1, 1990, any increase in a fee
11 fixed by the board shall be pursuant to regulation duly adopted
12 by the board in accordance with the limits of this section.

13 (l) It is the intent of the Legislature that, to ease entry into the
14 public accounting profession in California, any administrative
15 cost to the board related to the certified public accountant
16 examination or issuance of the certified public accountant
17 certificate that exceeds the maximum fees authorized by this
18 section shall be covered by the fees charged for the biennial
19 renewal of the permit to practice.