

AMENDED IN SENATE MAY 27, 2008  
AMENDED IN SENATE APRIL 9, 2008  
AMENDED IN SENATE MARCH 26, 2008

**SENATE BILL**

**No. 1738**

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**Introduced by Senator Steinberg**  
(Principal coauthor: Assembly Member Lieber)  
(Coauthor: Senator Alquist)

February 22, 2008

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An act to add Article 4.6 (commencing with Section 14147) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1738, as amended, Steinberg. Medi-Cal: Frequent Users of Health Care Pilot Program.

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

This bill would require the department, no later than July 1, 2009, *for a period of 3 years*, to establish, in consultation with specified stakeholders, the Frequent Users of Health Care Pilot Program. The pilot program would provide supplemental services to Medi-Cal beneficiaries in at least 6 eligible programs, as defined to include, among other entities, local governments, who are frequent users of health care, as defined, in addition to an individual's existing benefits under the Medi-Cal program, which are designed to reduce a participating individual's use of hospital emergency departments when more effective care, including primary, specialty, and social services, can be provided

in less costly settings. This bill would require the department *not later than November 1, 2012*, to ~~evaluate complete, and to report to the appropriate policy and fiscal committees of the Legislature on, an evaluation of~~ the pilot program, as specified. The bill would provide that the program would be implemented only if federal financial participation is available and all necessary federal approvals are obtained.

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. Article 4.6 (commencing with Section 14147) is  
2 added to Chapter 7 of Part 3 of Division 9 of the Welfare and  
3 Institutions Code, to read:

4  
5 Article 4.6. Frequent Users of Health Care Pilot Program  
6

7 14147. (a) No later than July 1, 2009, the department shall do  
8 both of the following:

9 (1) Design, in consultation with the stakeholders described in  
10 subdivision (e) of *Section 14147.1*, a pilot program to provide  
11 Medi-Cal services to frequent users of health care services, as  
12 defined in subdivision (c).

13 (2) Submit any necessary application to the federal Centers of  
14 for Medicare and Medicaid Services for a state plan amendment  
15 to implement the pilot project established pursuant to this article.  
16 The department shall determine the form of state plan amendment  
17 most appropriate to achieve the purposes of this article.

18 (b) The department shall commence implementation of the pilot  
19 program on the first day of the third month following the month  
20 in which federal approval of the state plan amendment sought  
21 pursuant to ~~this~~ subdivision (a) is received.

22 14147.1. For purposes of this article, the following definitions  
23 shall apply:

24 (a) "At risk of homelessness" means a history of homelessness,  
25 an absence of a permanent address over the last 12 months, or an  
26 absence of any current reliable source of income.

27 (b) "Eligible program" means a nonprofit organization or entity,  
28 or a unit of local government that elects to participate in the pilot

1 program developed pursuant to this article and that meets the  
2 criteria described in subdivision (c) of Section 14147.2.

3 (c) “Frequent users of health services” means individuals who  
4 have undergone emergency department treatment on five or more  
5 occasions in the past 12 months or on eight or more occasions in  
6 the last 24 months and who have two or more of the following risk  
7 factors:

8 (1) On one or more occasions within the last 24 months, the  
9 individual was diagnosed with chronic or life-threatening  
10 conditions that require management of symptoms, medications,  
11 health care, or changes in lifestyle or risk-related behaviors, which  
12 may include, but need not be limited to, HIV/AIDS, hepatitis,  
13 diabetes, heart disease, hypertension, emphysema, asthma, or  
14 cancer.

15 (2) On one or more occasions within the last 24 months, the  
16 individual was diagnosed with an Axis I or II mental disorder  
17 identified in the Diagnostic and Statistical Manual of Mental  
18 Disorders.

19 (3) On one or more occasions within the last 24 months, the  
20 individual was diagnosed with a substance use disorder, including  
21 substance dependence and substance use problems, that interfere  
22 with the individual’s health or appropriate utilization of health  
23 services.

24 (4) The individual experiences consistent or intermittent  
25 nonadherence to prescribed treatment, resulting in significantly  
26 increased risk of avoidable hospitalization, emergency room visits,  
27 serious health consequences, or death.

28 (5) The individual is currently experiencing homelessness or is  
29 at risk of homelessness.

30 (d) “Homelessness” means lacking a fixed, regular, or adequate  
31 nighttime residence or a primary nighttime residence that is a  
32 supervised publicly or privately operated shelter designed to  
33 provide temporary living accommodations or a public or private  
34 place not designed for, or ordinarily used as, regular sleeping  
35 accommodation for human beings.

36 (e) “Stakeholders” shall include, but not limited to, the Frequent  
37 Users of Health Services Initiative, the Corporation for Supportive  
38 Housing, the California Mental Health Directors Association,  
39 community clinic representatives, and other disciplines that

1 represent the needs of frequent users of health services, as defined  
2 in subdivision (c).

3 14147.2. (a) The pilot program shall provide services to  
4 Medi-Cal beneficiaries in addition to an individual's existing  
5 Medi-Cal benefits, and shall be designed to reduce a participating  
6 individual's use of hospital emergency departments when more  
7 effective care, including primary, specialty, and social services,  
8 can be provided in less costly settings. Services provided to  
9 individuals under the pilot program may include, but need not be  
10 limited to, all of the following:

- 11 (1) Care coordination and case management.
- 12 (2) Medication and money management.
- 13 (3) Transportation.
- 14 (4) Life skills training.
- 15 (5) Peer and recovery support.
- 16 (6) Prevocational and vocational services.
- 17 (7) Employment support services.

18 (b) The department shall implement the pilot program in at least  
19 six eligible programs, as defined in subdivision (b) of Section  
20 14147.1, and in accordance with the criteria developed pursuant  
21 to subdivision (c).

22 (c) The selection of the eligible programs shall be based on  
23 criteria that shall be developed by the department, in consultation  
24 with experts including, but not limited to, the Frequent Users of  
25 Health Services Initiative and the Corporation for Supportive  
26 Housing, the California Mental Health Directors Associations,  
27 community clinic representatives, and other disciplines that  
28 represent the needs of frequent users of health care. The criteria  
29 for participation as a program shall include at least all of the  
30 following:

- 31 (1) Demonstrated experience working with the frequent users  
32 of health services population.
- 33 (2) The capacity and administrative infrastructure to participate  
34 in the pilot program, including the ability to bill the Medi-Cal  
35 program, keep appropriate records, and provide data on clients.
- 36 (3) Documented ability to provide or to link clients with  
37 appropriate community-based services, including intensive care  
38 coordination, medication management, primary care, specialty  
39 care, mental health treatment, substance abuse treatment, peer and  
40 recovery support, permanent or temporary housing, transportation,

1 money management, prevocational and vocational services,  
2 employment support, and benefits advocacy.

3 (4) A plan to offer services to clients on a voluntary basis.

4 (d) The pilot program's initial enrollment goal shall be 2,500  
5 Medi-Cal beneficiaries needing intensive services who are frequent  
6 users of health services, as defined in subdivision (d) of Section  
7 14147.1. These beneficiaries may be moved into a  
8 maintenance-level category, or may graduate completely from the  
9 programs, upon remediation of the need of intensive services. The  
10 department may increase the total number of intensive services  
11 participants in the program if the department determines that, based  
12 on the data collected relating to, and beneficial outcomes resulting  
13 from, the initial implementation of the pilot program, expanding  
14 the number of intensive services participants is warranted.

15 (e) The department shall prepare, or contract for the preparation  
16 of, an evaluation of the frequent users pilot program. The  
17 department ~~may seek other sources of funding, including grants,~~  
18 *shall only seek out and utilize private funds* to fund the evaluation.  
19 The department ~~shall,~~ *no later than November 1, 2012, shall*  
20 *complete, and* report to the appropriate policy and fiscal committees  
21 of the Legislature ~~upon the completion of~~ *on* the evaluation.

22 (f) *The pilot program shall operate for a period of three years.*

23 14147.3. This article shall only be implemented if federal  
24 financial participation is available, and if the federal Centers for  
25 Medicare and Medicaid Services approves the state plan  
26 amendment sought pursuant to Section 14147.

27 14147.5. *This article shall remain in effect only until January*  
28 *1, 2013, and as of that date is repealed, unless a later enacted*  
29 *statute, that is enacted before January 1, 2013, deletes or extends*  
30 *that date.*