

AMENDED IN ASSEMBLY APRIL 10, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 676

Introduced by Assembly Member Fox

February 21, 2013

An act to add Section 1367.52 to the Health and Safety Code, to add Section 10117.6 to the Insurance Code, and to add Section 14109.7 to the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 676, as amended, Fox. Health care coverage: postdischarge care needs.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of insurers by the Department of Insurance. 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. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions.

This bill would prohibit health care service plans, health insurers, and the Department of Health Care Services or Medi-Cal managed care plans, as applicable, from causing an enrollee, insured, or beneficiary to remain in a general acute care hospital or an acute psychiatric hospital ~~upon determination by~~ *if* the attending physician on the medical staff *has determined* that the individual no longer requires inpatient hospital care. The bill would require the health care service plan, health insurer, or the State Department of Health Care Services or Medi-Cal managed

care plan to perform specified duties within 24 hours of receipt of notice of the discharge. The bill would provide that failure of the *respective* health care service plan, health insurer, ~~or the State Department of Health Care Services, or Medi-Cal managed care plan to transfer the patient within 72 hours from the health facility to an appropriate community setting~~ *perform those duties within 72 hours of the receipt of a notice of discharge* would result in a daily penalty amount, as specified, to be paid within 10 days of the patient's discharge.

Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose 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.

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

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

- 1 SECTION 1. Section 1367.52 is added to the Health and Safety
2 Code, to read:
3 1367.52. (a) A health care service plan that provides coverage
4 for inpatient hospital care shall not cause an enrollee to remain in
5 a health facility licensed under subdivision (a) or (b) of Section
6 1250, ~~upon a determination by~~ *if* the attending physician on the
7 medical staff *has determined* that the enrollee no longer requires
8 inpatient hospital care. Within 24 hours of receipt of notice of
9 discharge, the health care service plan shall be in direct
10 communication with hospital staff to provide information, support,
11 and assistance to facilitate the ability of hospital personnel to do
12 all of the following:
13 (1) Locate and secure an appropriate community setting for the
14 enrollee that is consistent with postdischarge care needs.
15 (2) Ensure there is an appropriate arrangement to transfer the
16 enrollee to the community setting.
17 (3) Follow up with the enrollee or his or her designee to
18 coordinate postdischarge care needs.

1 (b) Failure of the health care service plan to transfer the enrollee
2 within 72 hours from a health facility described in subdivision (a)
3 to an appropriate community setting *satisfy the requirements of*
4 *subdivision (a) within 72 hours of receipt of the notice of discharge*
5 shall result in a daily penalty amount equal to 75 percent of the
6 applicable inpatient rate, or pro rata calculated rate if case based,
7 or the diagnosis-related group rate. The penalty shall be paid by
8 the health care service plan to the health facility under the standard
9 billing cycle, and final payment of the penalty shall be paid within
10 10 days of the enrollee's discharge.

11 SEC. 2. Section 10117.6 is added to the Insurance Code, to
12 read:

13 10117.6. (a) A health insurer that provides coverage for
14 inpatient hospital care shall not cause an insured to remain in a
15 health facility licensed under subdivision (a) or (b) of Section 1250
16 of the Health and Safety Code, ~~upon a determination by~~ *if* the
17 attending physician on the medical staff *has determined* that the
18 insured no longer requires inpatient hospital care. Within 24 hours
19 of receipt of notice of discharge, the health insurer shall be in direct
20 communication with hospital staff to provide information, support,
21 and assistance to facilitate the ability of hospital personnel to do
22 all of the following:

23 (1) Locate and secure an appropriate community setting for the
24 insured that is consistent with postdischarge care needs.

25 (2) Ensure there is an appropriate arrangement to transfer the
26 insured to the community setting.

27 (3) Follow up with the insured or his or her designee to
28 coordinate postdischarge care needs.

29 (b) Failure of the health insurer to transfer the insured within
30 72 hours from a health facility described in subdivision (a) to an
31 appropriate community setting *satisfy the requirements of*
32 *subdivision (a) within 72 hours of receipt of the notice of discharge*
33 shall result in a daily penalty amount equal to 75 percent of the
34 applicable inpatient rate, or pro rata calculated rate if case based,
35 or the diagnosis-related group rate. The penalty shall be paid by
36 the health insurer to the health facility under the standard billing
37 cycle, and final payment of the penalty shall be paid within 10
38 days of the insured's discharge.

39 SEC. 3. Section 14109.7 is added to the Welfare and
40 Institutions Code, to read:

1 14109.7. (a) The department, or the Medi-Cal managed care
 2 plan, if applicable, shall not cause a Medi-Cal beneficiary to remain
 3 in a health facility licensed under subdivision (a) or (b) of Section
 4 1250 of the Health and Safety Code, ~~upon a determination by~~ *if*
 5 the attending physician on the medical staff *has determined* that
 6 the beneficiary no longer requires inpatient hospital care. Within
 7 24 hours of receipt of notice of discharge, the department or the
 8 Medi-Cal managed care plan shall be in direct communication
 9 with hospital staff to provide information, support, and assistance
 10 to facilitate the ability of hospital personnel to do all of the
 11 following:

12 (1) Locate and secure an appropriate community setting for the
 13 beneficiary that is consistent with postdischarge care needs.

14 (2) Ensure there is an appropriate arrangement to transfer the
 15 beneficiary to the community setting.

16 (3) Follow up with the beneficiary or his or her designee to
 17 coordinate postdischarge care needs.

18 (b) Failure of the department or the Medi-Cal managed care
 19 plan to ~~transfer the beneficiary within 72 hours from a health~~
 20 ~~facility described in subdivision (a) to an appropriate community~~
 21 ~~setting~~ *satisfy the requirements of subdivision (a) within 72 hours*
 22 *of receipt of the notice of discharge* shall result in a daily penalty
 23 amount equal to *75 percent* of the applicable inpatient rate, or pro
 24 rata calculated rate if case based, or the diagnosis-related group
 25 rate. The penalty shall be paid by the department or the Medi-Cal
 26 managed care plan to the health facility under the standard billing
 27 cycle, and final payment of the penalty shall be paid within 10
 28 days of the beneficiary's discharge.

29 SEC. 4. No reimbursement is required by this act pursuant to
 30 Section 6 of Article XIII B of the California Constitution because
 31 the only costs that may be incurred by a local agency or school
 32 district will be incurred because this act creates a new crime or
 33 infraction, eliminates a crime or infraction, or changes the penalty
 34 for a crime or infraction, within the meaning of Section 17556 of
 35 the Government Code, or changes the definition of a crime within
 36 the meaning of Section 6 of Article XIII B of the California
 37 Constitution.