

AMENDED IN SENATE APRIL 3, 2013

SENATE BILL

No. 640

Introduced by Senator Lara

February 22, 2013

An act to ~~amend~~ *add* Section ~~14000~~ of *14105.194* to the Welfare and Institutions Code, relating to ~~Medi-Cal~~ *Medi-Cal*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 640, as amended, Lara. ~~Medi-Cal~~. *Medi-Cal: reimbursement: provider payments.*

The Medi-Cal Act establishes 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. ~~Existing law provides that the purpose of the Medi-Cal Act is to afford to qualifying individuals health care and related remedial or preventive services, including related social services that are necessary for those receiving health care. Existing law requires, except as otherwise provided, Medi-Cal provider payments to be reduced by 1% or 5%, and provider payments for specified non-Medi-Cal programs to be reduced by 1%, for dates of service on and after March 1, 2009, and until June 1, 2011. Existing law requires, except as otherwise provided, Medi-Cal provider payments and payments for specified non-Medi-Cal programs to be reduced by 10% for dates of service on and after June 1, 2011.~~

This bill would instead require that this payment reduction not apply to skilled nursing facilities or subacute care units that are a distinct part of a general acute care hospital, or to specified Medi-Cal provider

payments for fee-for-service benefits, including payments to pharmacies, for dates of service on or after June 1, 2011.

This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would make a technical, nonsubstantive change to those provisions.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: no.

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

1 SECTION 1. Section 14105.194 is added to the Welfare and
2 Institutions Code, to read:

3 14105.194. (a) Notwithstanding Section 14105.192, except as
4 otherwise provided in this section, payments for fee-for-service
5 benefits for dates of service on or after June 1, 2011, shall be
6 determined without application of the reductions in Section
7 14105.192.

8 (b) Notwithstanding Sections 14105.191 and 14105.192, except
9 as otherwise provided in this section, payments for the classes of
10 providers specified in subparagraphs (B) and (D) of paragraph
11 (2) and paragraph (3) of subdivision (b) of Section 14105.191 for
12 dates of service on or after June 1, 2011, shall be determined
13 without application of the reductions set forth in Sections
14 14105.191 and 14105.192.

15 (c) Notwithstanding subdivisions (a) and (b), for dates of service
16 prior to the effective date of the act adding this section, in no event
17 shall the payments exceed the reimbursement rate at which
18 payment has been made by the department prior to the effective
19 date of the act adding this section.

20 (d) The director shall implement subdivisions (a) and (b) to the
21 maximum extent permitted by law and for the maximum time period
22 for which the director obtains federal approval for federal financial
23 participation for the increase provided for in this section.

24 (e) The director shall promptly seek all necessary federal
25 approvals to implement this section.

26 (f) Notwithstanding Chapter 3.5 (commencing with Section
27 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
28 the department may implement this section by means of provider

1 *bulletins or notices, policy letters, or other similar instructions,*
2 *without taking regulatory action.*

3 *SEC. 2. This act is an urgency statute necessary for the*
4 *immediate preservation of the public peace, health, or safety within*
5 *the meaning of Article IV of the Constitution and shall go into*
6 *immediate effect. The facts constituting the necessity are:*

7 *In order to ensure and maintain access to medically necessary*
8 *care for the patients and residents needing skilled nursing services,*
9 *it is necessary that this act take effect immediately.*

10 SECTION 1. ~~Section 14000 of the Welfare and Institutions~~
11 ~~Code is amended to read:~~

12 ~~14000. The purpose of this chapter is to afford to qualifying~~
13 ~~individuals health care and related remedial or preventive services,~~
14 ~~including related social services that are necessary for those~~
15 ~~receiving health care under this chapter.~~

16 ~~The intent of the Legislature is to provide, to the extent~~
17 ~~practicable, through the provisions of this chapter, for health care~~
18 ~~for those aged and other persons, including family persons who~~
19 ~~lack sufficient annual income to meet the costs of health care, and~~
20 ~~whose other assets are so limited that their application toward the~~
21 ~~costs of such care would jeopardize the person or family's future~~
22 ~~minimum self-maintenance and security. It is intended that~~
23 ~~whenever possible and feasible:~~

24 ~~(a) The means employed shall allow, to the extent practicable,~~
25 ~~eligible persons to secure health care in the same manner employed~~
26 ~~by the public generally, and without discrimination or segregation~~
27 ~~based purely on their economic disability. The means employed~~
28 ~~shall include an emphasis on efforts to arrange and encourage~~
29 ~~access to health care through enrollment in organized, managed~~
30 ~~care plans of the type available to the general public.~~

31 ~~(b) The benefits available under this chapter shall not duplicate~~
32 ~~those provided under other federal or state laws or under other~~
33 ~~contractual or legal entitlements of the person or persons receiving~~
34 ~~them.~~

35 ~~(c) In the administration of this chapter and in establishing the~~
36 ~~means to be used to provide access to health care to persons eligible~~
37 ~~under this chapter, the department shall emphasize and take~~
38 ~~advantage of both the efficient organization and ready accessibility~~
39 ~~and availability of health care facilities and resources through~~
40 ~~enrollment in managed health care plans and new and innovative~~

- 1 ~~fee-for-service managed health care plan approaches to the delivery~~
- 2 ~~of health care services.~~

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