

AMENDED IN SENATE APRIL 21, 2014

SENATE BILL

No. 1374

Introduced by Senator Hernandez

February 21, 2014

An act to *add Article 5.8 (commencing with Section 14188) to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code*, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1374, as amended, Hernandez. ~~Medi-Cal: ambulance services: ground ambulance rates.~~

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. Existing law prohibits a city or county from establishing equipment and personnel standards for the furnishing of nonemergency medical transportation services for eligible Medi-Cal beneficiaries that are in conflict with equipment and personnel standards for reimbursement established by the department.~~ *services, including medical transportation services. Existing law and regulations prescribe various requirements governing payment policies and reimbursement rates for these services.*

~~This bill would state findings and declarations of the Legislature relative to ambulance services. The bill would express the intent of the Legislature to enact legislation to ensure the continued viability of emergency medical systems throughout the state by establishing payment definitions and policies for the Medi-Cal program, as related to ambulance services that meet nationally recognized standards. The bill would also express the intent of the Legislature to enact legislation to~~

~~establish Medi-Cal reimbursement rates for essential emergency and nonemergency ambulance services that will cover, at a minimum, the actual costs of providing those services, and to enact legislation to ensure the provision of essential medically necessary emergency and nonemergency ambulance response and transportation services to the citizens of California.~~

This bill would require the department, by July 1, 2015, to adopt regulations establishing the Medi-Cal reimbursement rate for ground ambulance services using one of 2 specified methodologies.

Vote: majority. 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. The Legislature finds and declares all of the*
 2 *following:*
 3 *(a) Regarding Medi-Cal payment rates for ground ambulance*
 4 *services, the State Plan under Title XIX of the federal Social*
 5 *Security Act for California requires each of the other types of care*
 6 *or service listed in Section 1396d of Title 42 of the United States*
 7 *Code that are included in the program under the plan to be*
 8 *reimbursed at the lesser of usual charges or the limits specified*
 9 *in Article 7 (commencing with Section 51501) of Chapter 3 of*
 10 *Division 3 of Title 22 of the California Code of Regulations.*
 11 *(b) Current law requires ground ambulance services provided*
 12 *to state prison inmates to be reimbursed at a rate that does not*
 13 *exceed 120 percent of the Medicare Ambulance Fee Schedule*
 14 *(Section 5023.5 of the Penal Code).*
 15 *(c) Current law requires ground ambulance services provided*
 16 *under the state workers' compensation program to be reimbursed*
 17 *at a rate that does not exceed 120 percent of the Medicare*
 18 *Ambulance Fee Schedule (Section 9789.70 of Title 8 of the*
 19 *California Code of Regulations).*
 20 *(d) Emergency medical services systems are a critical safety*
 21 *net service relied upon by the entire California population.*
 22 *(e) Ninety percent of Medi-Cal ground ambulance transports*
 23 *are emergencies. Ground ambulance safety net providers cannot*
 24 *legally or morally refuse to respond to emergency medical requests*
 25 *for service and cannot refuse medically necessary emergency*
 26 *medical treatment and transport.*

1 (f) Independent government cost studies indicate that current
2 Medi-Cal payment rates cover just one-quarter of the average cost
3 of ground ambulance service. Severe below-cost Medi-Cal payment
4 rates threaten to collapse the entire 911 emergency medical system
5 safety net in California.

6 SEC. 2. Article 5.8 (commencing with Section 14188) is added
7 to Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
8 Code, to read:

9

10 Article 5.8. Ground Ambulance Services

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12 14188. (a) No later than July 1, 2015, the department shall
13 adopt regulations establishing the Medi-Cal reimbursement rate
14 for ground ambulance services, based upon existing statutes,
15 regulations, and case law.

16 (b) In establishing the rates as required in subdivision (a), the
17 department shall use one of the following methodologies:

18 (1) Establish payment rates through regulation by doing all of
19 the following:

20 (A) Develop a rate study or establish a cost-based evidentiary
21 base that results in proposed rates.

22 (B) Present the proposed rates at a public hearing.

23 (C) Combine public input and the evidentiary base for a final
24 adopted regulation.

25 (2) Establish payment rates for ground ambulance services at
26 ___ percent of the current Medicare Ambulance Fee Schedule
27 and designate the ambulance cost study conducted by the federal
28 Government Accountability Office (GAO-07-383) as the evidentiary
29 base.

30 SECTION 1.—(a) The Legislature finds and declares the
31 following:

32 (1) Ambulance services play a vital role in providing quality
33 health care and are a critical component of the public safety first
34 response in times of natural or man-made disasters.

35 (2) With the passage of the Emergency Medical Services System
36 and the Prehospital Emergency Medical Care Personnel Act in
37 1980, the intent of the Legislature has been to maintain and
38 promote the development of emergency medical technician
39 paramedic programs where appropriate throughout the state, and
40 to initiate EMT-II limited advanced life support programs only

1 where geography, population density, and resources would not
2 make the establishment of a paramedic program feasible.

3 (b) It is the intent of the Legislature to enact legislation to ensure
4 the continued viability of emergency medical systems throughout
5 the state by establishing payment definitions and policies for the
6 Medi-Cal program, as related to ambulance services that meet
7 nationally recognized standards.

8 (c) It is the intent of the Legislature to enact legislation to
9 establish Medi-Cal reimbursement rates for essential emergency
10 and nonemergency ambulance services that will cover, at a
11 minimum, the actual costs of providing those services.

12 (d) It is the intent of the Legislature to enact legislation to ensure
13 the provision of essential medically necessary emergency and
14 nonemergency ambulance response and transportation services to
15 the citizens of California.