

Senate Bill No. 2136

CHAPTER 856

An act to repeal and add Section 1380.1 of the Health and Safety Code, relating to health care.

[Approved by Governor September 28, 2000. Filed
with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2136, Dunn. Health care providers: multiple audits.

Existing law requires the Department of Managed Care to conduct periodically an onsite medical survey of the health delivery system of each health care plan. Existing law requires the director, to avoid duplication, and to the extent feasible, to employ reviews of providers conducted by professional standards review organizations. Existing law required a working group, as specified, to recommend ways to reduce duplicative audits of providers by health plans and to report, as specified, its findings and recommendations, on or before January 1, 2000.

This bill would repeal the provisions relating to the working group. The bill would require the Advisory Committee on Managed Care, in the Department of Managed Care, after having sought comment from a broad and balanced range of interested parties, to recommend to the Director of the Department of Managed Care standards for a uniform medical quality audit system, which would be required to include a single periodic medical quality audit. The bill would require the recommendations to include a list of those private sector accreditation organizations, if any, that have standards comparable to the recommended system, and the capability and expertise to accredit, audit, or credential providers. The bill would authorize the director to approve private sector accreditation organizations as qualified organizations to perform single periodic medical quality audits.

The bill would require the Director of the Department of Managed Care to adopt regulations on a uniform medical quality audit system on or before January 1, 2002.

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

SECTION 1. Section 1380.1 of the Health and Safety Code is repealed.

SEC. 2. Section 1380.1 is added to the Health and Safety Code, to read:

1380.1. (a) The Legislature finds and declares as follows:



(1) Multiple medical quality audits of health care providers, as many as 25 for some physician offices, increase costs for health care providers and health plans, and thus ultimately increase costs for the purchaser and the consumer, and result in the direction of limited health care resources to administrative costs instead of to patient care.

(2) Streamlining the multiple medical quality audits required by health care service plans and insurers is vital to increasing the resources directed to patient care.

(3) Few legislative proposals affecting health care services have the potential of benefiting all of the affected parties, including health plans, health care providers, purchasers, and consumers, through a reduction in administrative costs but without negatively affecting patient care.

(b) The Advisory Committee on Managed Care shall recommend to the director standards for a uniform medical quality audit system, which shall include a single periodic medical quality audit. The director shall publish proposed regulations in that regard on or before January 1, 2002.

(c) In developing those standards, the Advisory Committee on Managed Care shall seek comment from a broad and balanced range of interested parties.

(d) The recommendations shall include all of the following:

(1) Standards that will serve as the basis of the single periodic medical quality audit necessary to meet the criteria of this section.

(2) Standards that will not be covered by the single periodic medical quality audit and that may be audited directly by health care service plans.

(3) A list of those private sector accreditation organizations, if any, that have or can develop systems comparable to the recommended system, and the capability and expertise to accredit, audit, or credential providers.

(e) (1) The director may approve private sector accreditation organizations as qualified organizations to perform the single periodic medical quality audits.

(2) Audits shall be conducted at least annually.

(f) The single medical quality audit shall not prevent licensed health care service plans from developing performance criteria or conducting separate audits for governmental or regulatory purposes, purchasers, or to address consumer complaints and grievances, management changes, or plan initiatives to improve or monitor quality.

