

AMENDED IN SENATE AUGUST 15, 2011  
AMENDED IN ASSEMBLY MAY 27, 2011  
AMENDED IN ASSEMBLY MARCH 25, 2011  
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 678**

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**Introduced by Assembly Member Pan**  
(Principal coauthor: Senator Steinberg)

February 17, 2011

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An act to add Section 14105.94 to the Welfare and Institutions Code, relating to Medi-Cal, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 678, as amended, Pan. Medi-Cal: supplemental provider reimbursement.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for a schedule of benefits under the Medi-Cal program, which includes medical transportation, and authorizes the department to prescribe policies and regulations as necessary to carry out the Medi-Cal program, including setting rates for payment of services.

This bill would provide that an eligible provider, as described, may receive supplemental Medi-Cal reimbursement, in addition to the rate of payment that the provider would otherwise receive, for Medi-Cal

ground emergency medical transportation services and that the supplemental reimbursement shall be equal to the amount of federal financial participation the department receives as a result of claims submitted for expenditures for services, as specified. This bill would require the department to promptly seek any necessary federal approvals for the implementation of these provisions, including obtaining approval from the federal Centers for Medicare and Medicaid Services for the specified payment methodology to be used to distribute the supplemental reimbursement.

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

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

- 1 SECTION 1. Section 14105.94 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 14105.94. (a) An eligible provider, as described in subdivision
- 4 (b), may, in addition to the rate of payment that the provider would
- 5 otherwise receive for Medi-Cal ground emergency medical
- 6 transportation services, receive supplemental Medi-Cal
- 7 reimbursement to the extent provided in this section.
- 8 (b) A provider shall be eligible for supplemental reimbursement
- 9 only if the provider has all of the following characteristics
- 10 continuously during a state fiscal year:
- 11 (1) Provides ground emergency medical transportation services
- 12 to Medi-Cal beneficiaries.
- 13 (2) Is a provider that is enrolled as a Medi-Cal provider for the
- 14 period being claimed.
- 15 (3) Is owned or operated by the state, a city, county, city and
- 16 county, fire protection district organized pursuant to Part 2.7
- 17 (commencing with Section 13800) of Division 12 of the Health
- 18 and Safety Code, special district organized pursuant to Chapter 1
- 19 (commencing with Section 58000) of Division 1 of Title 6 of the
- 20 Government Code, community services district organized pursuant
- 21 to Part 1 (commencing with Section 61000) of Division 3 of Title
- 22 6 of the Government Code, health care district organized pursuant
- 23 to Chapter 1 (commencing with Section 32000) of Division 23 of
- 24 the Health and Safety Code, or a federally recognized Indian tribe.

1 (c) An eligible provider’s supplemental reimbursement pursuant  
2 to this section shall be calculated and paid as follows:

3 (1) The supplemental reimbursement to an eligible provider, as  
4 described in subdivision (b), shall be equal to the amount of federal  
5 financial participation received as a result of the claims submitted  
6 pursuant to paragraph (2) of subdivision (f).

7 (2) In no instance shall the amount certified pursuant to  
8 paragraph (1) of subdivision (e), when combined with the amount  
9 received from all other sources of reimbursement from the  
10 Medi-Cal program, exceed 100 percent of actual costs, as  
11 determined pursuant to the Medi-Cal State Plan, for ground  
12 emergency medical transportation services.

13 (3) The supplemental Medi-Cal reimbursement provided by this  
14 section shall be distributed exclusively to eligible providers under  
15 a payment methodology based on ground emergency medical  
16 transportation services provided to Medi-Cal beneficiaries by  
17 eligible providers on a per-transport basis or other federally  
18 permissible basis. The department shall obtain approval from the  
19 federal Centers for Medicare and Medicaid Services for the  
20 payment methodology to be utilized, and may not make any  
21 payment pursuant to this section prior to obtaining that approval.

22 (d) (1) It is the Legislature’s intent in enacting this section to  
23 provide the supplemental reimbursement described in this section  
24 without any expenditure from the General Fund. An eligible  
25 provider, as a condition of receiving supplemental reimbursement  
26 pursuant to this section, shall enter into, and maintain, an agreement  
27 with the department for the purposes of implementing this section  
28 and reimbursing the department for the costs of administering this  
29 section.

30 (2) The nonfederal share of the supplemental reimbursement  
31 submitted to the federal Centers for Medicare and Medicaid  
32 Services for purposes of claiming federal financial participation  
33 shall be paid only with funds from the governmental entities  
34 described in paragraph (3) of subdivision (b) and certified to the  
35 state as provided in subdivision (e).

36 (e) Participation in the program by an eligible provider described  
37 in this section is voluntary. If an applicable governmental entity  
38 elects to seek supplemental reimbursement pursuant to this section  
39 on behalf of an eligible provider owned or operated by the entity,

1 as described in paragraph (3) of subdivision (b), the governmental  
2 entity shall do all of the following:

3 (1) Certify, in conformity with the requirements of Section  
4 433.51 of Title 42 of the Code of Federal Regulations, that the  
5 claimed expenditures for the ground emergency medical  
6 transportation services are eligible for federal financial  
7 participation.

8 (2) Provide evidence supporting the certification as specified  
9 by the department.

10 (3) Submit data as specified by the department to determine the  
11 appropriate amounts to claim as expenditures qualifying for federal  
12 financial participation.

13 (4) Keep, maintain, and have readily retrievable, any records  
14 specified by the department to fully disclose reimbursement  
15 amounts to which the eligible provider is entitled, and any other  
16 records required by the federal Centers for Medicare and Medicaid  
17 Services.

18 (f) (1) The department shall promptly seek any necessary federal  
19 approvals for the implementation of this section. The department  
20 may limit the program to those costs that are allowable  
21 expenditures under Title XIX of the federal Social Security Act  
22 (42 U.S.C. 1396 et seq.). If federal approval is not obtained for  
23 implementation of this section, this section shall not be  
24 implemented.

25 (2) The department shall submit claims for federal financial  
26 participation for the expenditures for the services described in  
27 subdivision (e) that are allowable expenditures under federal law.

28 (3) The department shall, on an annual basis, submit any  
29 necessary materials to the federal government to provide assurances  
30 that claims for federal financial participation will include only  
31 those expenditures that are allowable under federal law.

32 (g) (1) If either a final judicial determination is made by any  
33 court of appellate jurisdiction or a final determination is made by  
34 the administrator of the federal Centers for Medicare and Medicaid  
35 Services that the supplemental reimbursement provided for in this  
36 section must be made to any provider not described in this section,  
37 the director shall execute a declaration stating that the  
38 determination has been made and on that date this section shall  
39 become inoperative.

1 (2) The declaration executed pursuant to this subdivision shall  
2 be retained by the director, provided to the fiscal and appropriate  
3 policy committees of the Legislature, the Secretary of State, the  
4 Secretary of the Senate, the Chief Clerk of the Assembly, and the  
5 Legislative Counsel, and posted on the department's Internet Web  
6 site.

7 (h) Notwithstanding Chapter 3.5 (commencing with Section  
8 11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
9 the department may implement and administer this section by  
10 means of provider bulletins, or similar instructions, without taking  
11 regulatory action.

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

16 *In order for statutory changes relating to the Medi-Cal program*  
17 *to be implemented as soon as possible, it is necessary that this act*  
18 *take effect immediately.*