

AMENDED IN ASSEMBLY MAY 24, 2013

AMENDED IN ASSEMBLY APRIL 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 900**

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**Introduced by Assembly Member Alejo  
(Coauthors: Assembly Members Ammiano, Chesbro, and Perea)**

February 22, 2013

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

LEGISLATIVE COUNSEL'S DIGEST

AB 900, as amended, Alejo. Medi-Cal: reimbursement: ~~provider payments: distinct part nursing facilities.~~

~~The Medi-Cal Act establishes~~

*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. 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, ~~to the extent permitted by federal law,~~ 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 July 1, 2013. The bill would also provide that this payment reduction shall not apply to managed health care plans for dates of service after the effective date of the bill.~~

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

Vote:  $\frac{2}{3}$ . 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 14105.194 is added to the Welfare and  
2     Institutions Code, to read:  
3     14105.194. (a) Notwithstanding Sections 14105.191 and  
4     14105.192, reimbursement for services provided by skilled nursing  
5     facilities that are distinct parts of general acute care hospitals  
6     shall be determined, for dates of service on or after July 1, 2013,  
7     without application of the reductions set forth in Sections  
8     14105.191 and 14105.192.  
9     (b) The director shall do all of the following in the event that  
10    he or she is prevented from implementing subdivision (a) for any  
11    dates of service on or after July 1, 2013:  
12    (1) Implement subdivision (a) to the maximum extent permitted  
13    by law.  
14    (2) Increase payments to facilities described in subdivision (a)  
15    for services provided on or after July 1, 2013, or on or after the  
16    first date of service permitted by law and for which federal  
17    financial participation is available.  
18    (c) The director shall promptly seek all necessary federal  
19    approvals to implement this section.  
20    (d) Notwithstanding Chapter 3.5 (commencing with Section  
21    11340) of Part 1 of Division 3 of Title 2 of the Government Code,  
22    the department may implement this section by means of provider  
23    bulletins or notices, policy letters, or other similar instructions,  
24    without taking regulatory action.  
25    SEC. 2. This act is an urgency statute necessary for the  
26    immediate preservation of the public peace, health, or safety within

1 *the meaning of Article IV of the Constitution and shall go into*  
2 *immediate effect. The facts constituting the necessity are:*

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

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

8 14105.194. (a) ~~Notwithstanding Section 14105.192, except~~  
9 ~~as otherwise provided in this section, payments for fee-for-service~~  
10 ~~benefits for dates of service on or after June 1, 2011, shall be~~  
11 ~~determined without application of the reductions in Section~~  
12 ~~14105.192.~~

13 (b) ~~Notwithstanding Sections 14105.191 and 14105.192, except~~  
14 ~~as otherwise provided in this section, payments for the classes of~~  
15 ~~providers specified in subparagraphs (B) and (D) of paragraph (2)~~  
16 ~~and paragraph (3) of subdivision (b) of Section 14105.191 for dates~~  
17 ~~of service on or after June 1, 2011, shall be determined without~~  
18 ~~application of the reductions set forth in Sections 14105.191 and~~  
19 ~~14105.192.~~

20 (c) ~~Notwithstanding subdivisions (a) and (b), for dates of service~~  
21 ~~prior to the effective date of the act adding this section, in no event~~  
22 ~~shall the payments exceed the reimbursement rate at which~~  
23 ~~payment has been made by the department prior to the effective~~  
24 ~~date of the act adding this section.~~

25 (d) ~~Notwithstanding Section 14105.192, except as otherwise~~  
26 ~~provided in this section, for managed care health plans that contract~~  
27 ~~with the department pursuant to this chapter or Chapter 8~~  
28 ~~(commencing with Section 14200), payments for dates of service~~  
29 ~~following the effective date of the act adding this section shall be~~  
30 ~~determined without application of the reductions in Section~~  
31 ~~14105.192.~~

32 (e) ~~The director shall implement subdivisions (a), (b), and (d)~~  
33 ~~to the maximum extent permitted by law and for the maximum~~  
34 ~~time period for which the director obtains federal approval for~~  
35 ~~federal financial participation for the increase provided for in this~~  
36 ~~section.~~

37 (f) ~~The director shall promptly seek all necessary federal~~  
38 ~~approvals to implement this section.~~

39 (g) ~~Notwithstanding Chapter 3.5 (commencing with Section~~  
40 ~~11340) of Part 1 of Division 3 of Title 2 of the Government Code,~~

1 the department may implement this section by means of provider  
2 bulletins or notices, policy letters, or other similar instructions,  
3 without taking regulatory action.

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

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