

AMENDED IN SENATE MAY 24, 2013

AMENDED IN SENATE MAY 1, 2013

AMENDED IN SENATE APRIL 15, 2013

AMENDED IN SENATE APRIL 3, 2013

SENATE BILL

No. 640

Introduced by Senator Lara

(Principal ~~coauthor~~: *coauthors: Assembly Member Members Alejo, Roger Hernández, and Mitchell*)

(Coauthors: Senators Anderson, Beall, Block, Calderon, Cannella, Corbett, Galgiani, Hill, Hueso, Lieu, Pavley, Roth, Walters, Wyland, and Yee)

(Coauthors: Assembly Members Achadjian, Allen, Ammiano, Bigelow, Bonilla, Bonta, Bradford, Brown, Buchanan, Ian Calderon, Chávez, Chesbro, Conway, Cooley, Dickinson, Donnelly, Eggman, Gomez, Gordon, Gorell, Gray, Grove, Harkey, Holden, Jones-Sawyer, Levine, Linder, Logue, Lowenthal, Maienschein, Mansoor, Medina, Melendez, Morrell, Mullin, Muratsuchi, Nazarian, Nestande, Olsen, Pan, Patterson, Perea, V. Manuel Pérez, Quirk, Rendon, Salas, Skinner, Stone, Ting, Wagner, Waldron, Weber, Wilk, Williams, and Yamada)

February 22, 2013

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

SB 640, as amended, Lara. 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 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, intermediate care or other specified facilities serving developmentally disabled individuals, or specified Medi-Cal provider payments for fee-for-service benefits, including payments to pharmacies, for dates of service on or after June 1, 2011. 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 14105.07 and
4 14105.192, except as otherwise provided in this section, payments
5 for fee-for-service benefits for dates of service on or after June 1,
6 2011, shall be determined without application of the reductions,
7 *limitations, and adjustments* in Sections 14105.07 and 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 (2)
11 and paragraph (3) of subdivision (b) of Section 14105.191 for dates
12 of service on or after June 1, 2011, shall be determined without

1 application of the reductions ~~set forth~~, *limitations, and adjustments*
2 in Sections 14105.191 and 14105.192.

3 (c) Notwithstanding subdivisions (a) and (b), for dates of service
4 prior to the effective date of the act adding this section, in no event
5 shall the payments exceed the reimbursement rate at which
6 payment has been made by the department prior to the effective
7 date of the act adding this section.

8 (d) Notwithstanding Sections 14105.07 and 14105.192, except
9 as otherwise provided in this section, for managed care health
10 plans that contract with the department pursuant to this chapter or
11 Chapter 8 (commencing with Section 14200), payments for dates
12 of service following the effective date of the act adding this section
13 shall be determined without application of the reductions,
14 *limitations, and adjustments* in Sections 14105.07 and 14105.192.

15 (e) The director shall implement subdivisions (a), (b), and (d)
16 to the maximum extent permitted by law and for the maximum
17 time period for which the director obtains federal approval for
18 federal financial participation for the increase provided for in this
19 section.

20 (f) The director shall promptly seek all necessary federal
21 approvals to implement this section.

22 (g) Notwithstanding Chapter 3.5 (commencing with Section
23 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
24 the department may implement this section by means of provider
25 bulletins or notices, policy letters, or other similar instructions,
26 without taking regulatory action.

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

31 In order to ensure and maintain access to medically necessary
32 care for Medi-Cal beneficiaries, it is necessary that this act take
33 effect immediately.