

AMENDED IN SENATE JUNE 23, 2011

AMENDED IN SENATE JUNE 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 301

Introduced by Assembly Member Pan
(Coauthors: Assembly Members Beall, Carter, Dickinson, Logue,
and Solorio)

February 9, 2011

An act to amend Section 14094.3 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 301, as amended, Pan. Medi-Cal: managed care.

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 other low-income persons. Existing law provides for the department to enter into contracts with managed care systems, hospitals, and prepaid health plans for the provision of various Medi-Cal benefits. Existing law prohibits services covered by the California Children's Services program (CCS) from being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994, until January 1, 2012, except with respect to contracts entered into for county organized health systems in specified counties.

This bill would extend to July 1, 2016, the termination of the prohibition against CCS covered services being incorporated into a Medi-Cal managed care contract entered into after August 1, 1994.

Vote: majority. Appropriation: no. Fiscal committee: 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) *The State Department of Health Care Services is currently*
4 *pursuing pilot projects to examine organized health care delivery*
5 *models for children eligible for California Children’s Service*
6 *(CCS). These delivery models may include an enhanced primary*
7 *care case management program, a provider-based accountable*
8 *care organization, a specialty health care plan, and a Medi-Cal*
9 *managed care plan. The services provided under these models will*
10 *be comprehensive and coordinated through a medical home. These*
11 *models must establish clear standards and criteria, provide care*
12 *coordination, establish appropriate networks, as defined,*
13 *coordinate out-of-network access, ensure children enrolled in the*
14 *model receive care for their CCS-eligible medical conditions from*
15 *CCS-approved providers consistent with the CCS standards of*
16 *care, and establish and support medical homes, incorporating*
17 *specified principles.*
18 (b) *The department is required to conduct an evaluation to*
19 *assess the effectiveness of each model in improving the delivery*
20 *of health care services for children who are eligible for CCS*
21 *simultaneously with the development and implementation of the*
22 *model delivery systems, to compare the care provided to, and*
23 *outcomes of, children enrolled in the models with those not enrolled*
24 *in the models. The department plans to have the evaluation and*
25 *outcomes of the tested models by September 2015 in conjunction*
26 *with California’s Section 1115 Medi-Cal Demonstration Project*
27 *Waiver established pursuant to Section 14180 of the Welfare and*
28 *Institutions Code.*
29 (c) *Therefore, it is the intent of the Legislature to continue the*
30 *prohibition of services covered by the CCS program from being*
31 *incorporated solely into Medi-Cal managed care until the pilot*
32 *evaluations are complete and demonstrate the most appropriate*
33 *organized health care delivery models for children eligible for*
34 *CCS program services, which may include continuation of the*
35 *current system of care.*

1 SECTION 1.

2 SEC. 2. Section 14094.3 of the Welfare and Institutions Code
3 is amended to read:

4 14094.3. (a) Notwithstanding this article or Section 14093.05
5 or 14094.1, CCS covered services shall not be incorporated into
6 any Medi-Cal managed care contract entered into after August 1,
7 1994, pursuant to Article 2.7 (commencing with Section 14087.3),
8 Article 2.8 (commencing with Section 14087.5), Article 2.9
9 (commencing with Section 14088), Article 2.91 (commencing
10 with Section 14089), Article 2.95 (commencing with Section
11 14092); or either Article 2 (commencing with Section 14200), or
12 Article 7 (commencing with Section 14490) of Chapter 8, until
13 July 1, 2016, except for contracts entered into for county organized
14 health systems or Regional Health Authority in the Counties of
15 San Mateo, Santa Barbara, Solano, Yolo, Marin, and Napa.

16 (b) Notwithstanding any other provision of this chapter,
17 providers serving children under the CCS program who are enrolled
18 with a Medi-Cal managed care contractor but who are not enrolled
19 in a pilot project pursuant to subdivision (c) shall continue to
20 submit billing for CCS covered services on a fee-for-service basis
21 until CCS covered services are incorporated into the Medi-Cal
22 managed care contracts described in subdivision (a).

23 (c) (1) The department may authorize a pilot project in Solano
24 County in which reimbursement for conditions eligible under the
25 CCS program may be reimbursed on a capitated basis pursuant to
26 Section 14093.05, and provided all CCS program's guidelines,
27 standards, and regulations are adhered to, and CCS program's case
28 management is utilized.

29 (2) During the time period described in subdivision (a), the
30 department may approve, implement, and evaluate limited pilot
31 projects under the CCS program to test alternative managed care
32 models tailored to the special health care needs of children under
33 the CCS program. The pilot projects may include, but need not be
34 limited to, coverage of different geographic areas, focusing on
35 certain subpopulations, and the employment of different payment
36 and incentive models. Pilot project proposals from CCS
37 program-approved providers shall be given preference. All pilot
38 projects shall utilize CCS program-approved standards and
39 providers pursuant to Section 14094.1.

1 (d) (1) The department shall submit to the appropriate
2 committees of the Legislature an evaluation of pilot projects
3 established pursuant to subdivision (c) based on at least one full
4 year of operation.

5 (2) The evaluation required by paragraph (1) shall address the
6 impact of the pilot projects on outcomes as set forth in paragraph
7 (4) and, in addition, shall do both of the following:

8 (A) Examine the barriers, if any, to incorporating CCS covered
9 services into the Medi-Cal managed care contracts described in
10 subdivision (a).

11 (B) Compare different pilot project models with the
12 fee-for-service system. The evaluation shall identify, to the extent
13 possible, those factors that make pilot projects most effective in
14 meeting the special needs of children with CCS eligible conditions.

15 (3) CCS covered services shall not be incorporated into the
16 Medi-Cal managed care contracts described in subdivision (a)
17 before the evaluation process has been completed.

18 (4) The pilot projects shall be evaluated to determine whether:

19 (A) All children enrolled with a Medi-Cal managed care
20 contractor described in subdivision (a) identified as having a CCS
21 eligible condition are referred in a timely fashion for appropriate
22 health care.

23 (B) All children in the CCS program have access to coordinated
24 care that includes primary care services in their own community.

25 (C) CCS program standards are adhered to.

26 (e) For purposes of this section, CCS covered services include
27 all program benefits administered by the program specified in
28 Section 123840 of the Health and Safety Code regardless of the
29 funding source.

30 (f) Nothing in this section shall be construed to exclude or
31 restrict CCS eligible children from enrollment with a managed
32 care contractor, or from receiving from the managed care contractor
33 with which they are enrolled primary and other health care
34 unrelated to the treatment of the CCS eligible condition.