

AMENDED IN ASSEMBLY MAY 15, 2001

AMENDED IN ASSEMBLY APRIL 4, 2001

CALIFORNIA LEGISLATURE—2001-02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1043**

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**Introduced by Assembly Member Richman**

February 23, 2001

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An act to amend Section 14079 of, and to add Section 14078.5 to, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1043, as amended, Richman. Medi-Cal: ~~physician~~ *noninstitutional provider* reimbursement rates.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons. Existing law declares that it is the intent of the Legislature, to the extent feasible and permitted by federal law, to reimburse physicians equally statewide for comparable services, at a rate sufficient to provide Medi-Cal recipients with reasonable access. Existing law requires the Director of Health Services to annually review the reimbursement levels for physician and dental services under Medi-Cal, and to revise periodically the rates of reimbursement to physicians and dentists to ensure the reasonable access of Medi-Cal beneficiaries to physician and dental services.

This bill would require the department to conduct a baseline evaluation of access to ~~physician~~ *noninstitutional provider* services and quality of care provided to Medi-Cal beneficiaries that would serve as

a basis for adjusting ~~physician~~ *noninstitutional provider* reimbursement rates commencing with the 2002–03 fiscal year, and would instead require the director to review and report to the Legislature regarding the reimbursement levels for ~~physician and dental~~ *noninstitutional provider* services under Medi-Cal, at least once every 5 years, based on the results of this baseline evaluation.

The bill would ~~also~~, *in addition*, require the director, commencing January 1, 2002, to increase reimbursement rates for ~~physician~~ *noninstitutional provider* services under Medi-Cal to a level that meets or exceeds 80% of the Medicare reimbursement rate for those same services. *It would also define “noninstitutional provider” for purposes of the above provisions.*

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. Section 14078.5 is added to the Welfare and  
2 Institutions Code, to read:

3 14078.5. (a) Commencing January 1, 2002, the director shall  
4 increase reimbursement rates for ~~physician~~ *noninstitutional*  
5 *provider* services under Medi-Cal to a level that meets or exceeds  
6 80 percent of the Medicare reimbursement rate for those same  
7 services.

8 (b) *For purposes of this section, ‘noninstitutional provider’*  
9 *means any individuals, or partnerships, groups, associations,*  
10 *corporations, or entities of natural persons, licensed or certified*  
11 *under Division 2 (commencing with Section 500) of the Business*  
12 *and Professions Code, the Osteopathic Initiative Act, or the*  
13 *Chiropractic Initiative Act, whose services are reimbursable under*  
14 *the Medi-Cal program.*

15 SEC. 2. Section 14079 of the Welfare and Institutions Code  
16 is amended to read:

17 14079. (a) The department shall conduct a baseline  
18 evaluation of access to ~~physician~~ *noninstitutional provider*  
19 services and quality of care provided to Medi-Cal beneficiaries  
20 that shall serve as a basis for adjusting ~~physician~~ *noninstitutional*  
21 *provider* reimbursement rates commencing with the 2002–03  
22 fiscal year. For purposes of this evaluation, the department shall  
23 use data obtained pursuant to the Medi-Cal Management



1 Information System/Decision Support System (MIS/DSS) and the  
2 California Health Interview Survey, overseen by the UCLA  
3 Center for Health and Policy Research.

4 (b) The director shall review and report to the Legislature  
5 regarding the reimbursement levels for ~~physician and dental~~  
6 *noninstitutional provider* services under Medi-Cal at least once  
7 every five years, and shall periodically adjust the rates of  
8 reimbursement to ~~physicians and dentists~~ *noninstitutional*  
9 *providers* to ensure the reasonable access of Medi-Cal  
10 beneficiaries to ~~physician and dental~~ *noninstitutional provider*  
11 services.

12 This review, as it relates to rates for ~~physician~~ *noninstitutional*  
13 *provider* services, shall be based on the results of the baseline  
14 evaluation specified in subdivision (a).

