

AMENDED IN ASSEMBLY JULY 14, 2001

AMENDED IN SENATE MAY 7, 2001

AMENDED IN SENATE APRIL 16, 2001

SENATE BILL

No. 231

Introduced by Senator Ortiz

February 14, 2001

An act to add Section 14115.8 to, and to add and repeal Sections 14115.9 and 14115.10 of, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 231, as amended, Ortiz. Medi-Cal: local education agency services.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services. The Medi-Cal program is partially governed and funded as part of the federal medicaid program.

Under existing law, one method by which services may be provided is through the provision of services on schoolsites. Local education agencies are permitted to bill the Medi-Cal program for these services.

This bill would require the department to amend this state's medicaid plan to accomplish various goals aimed at enhancing Medi-Cal services provided on schoolsites, and access by students to these services. It would require the department to establish an advisory committee to assist in formulating these state plan amendments.

The bill would, until January 1, 2006, also establish in the State Department of Health Services an Office of Public School Assistance.

The bill would require the office to conduct a study comparing school-based medicaid systems in comparable states and related activities. The bill would require the office to assist local education agencies to obtain federal funds for services rendered to public school students that may be reimbursable under applicable federal medicaid requirements. The bill would require the office to file an annual report with the Legislature on medicaid reimbursements for services for students.

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 14115.8 is added to the Welfare and
2 Institutions Code, to read:

3 14115.8. (a) The department shall amend the medicaid state
4 plan with respect to the billing option for services by local
5 education agencies, in accordance with all of the following:

6 (1) The state plan shall ensure that schools shall be reimbursed
7 for all eligible services they provide that are not precluded by
8 federal requirements.

9 (2) The state plan shall contain methodologies for increasing
10 school participation in the Medi-Cal billing option for local
11 education agencies so that schools can meet the health care needs
12 of their students.

13 (3) The state plan amendments shall simplify claiming
14 processes for local education agency billing.

15 ~~(b) In addition, the department shall also amend the state plan,~~
16 ~~with respect to the option for the provision of services by local~~
17 ~~education agencies, to do all of the following:~~

18 ~~(1)~~

19 (4) Eliminate and modify state plan and regulatory
20 requirements that exceed federal requirements when, ~~under a~~
21 ~~cost-benefit perspective,~~ they are unnecessary.

22 ~~(2) Examine~~

23 (b) *The department, in consultation with the advisory*
24 *committee established pursuant to subdivision (c), shall examine*
25 *the basis for local education agency reimbursement rates and units*
26 *of services, and make and implement recommendations on*



1 improving the ability of local education agencies to increase
2 recovery of the cost of the services they provide.

3 (c) In order to assist the department in formulating the state
4 plan amendments required by subdivisions (a) and (b), the
5 department shall establish an advisory committee, to be composed
6 of representatives of the department, the Secretary for Education,
7 the State Department of Education, the State Department of
8 Mental Health, *representatives of urban, rural, large and small*
9 *school districts, and county offices of education, the local*
10 *education consortium, local education agencies, and the local*
11 *education agency technical assistance project. It is the intent of the*
12 *Legislature that this committee also include staff from Region IX*
13 *of the federal Health Care Financing Administration, experts from*
14 *the fields of both health and education, and state legislative staff.*

15 (d) Notwithstanding any other provision of law, or any other
16 contrary state requirement, the department shall take whatever
17 action is necessary to ensure that, to the extent there is capacity in
18 its certified match, a local education agency shall be reimbursed
19 retroactively for the maximum period allowed by the federal
20 government for any department change that results in an increase
21 in reimbursement to local education agency providers.

22 SEC. 2. Section 14115.9 is added to the Welfare and
23 Institutions Code, to read:

24 14115.9. (a) There is hereby established in the department an
25 Office of Public School Assistance.

26 (b) The purpose of the office shall be to assist local education
27 agencies to obtain federal funds for services rendered to public
28 school students that may be reimbursable under applicable federal
29 medicaid requirements.

30 (c) The office may undertake all necessary activities to recoup
31 ~~match~~ *matching* funds from the federal government for
32 reimbursable services that have already been provided in the
33 state's public schools ~~at state taxpayer expense~~. On behalf of the
34 department, the office shall prepare and take whatever action is
35 necessary to implement all regulations, policies, state plan
36 amendments, and other requirements necessary to achieve its
37 purpose.

38 (d) The office shall file an annual report with the Legislature
39 that shall include at least all of the following:

- 1 (1) A copy of the annual survey required by subdivision (a) of
2 Section 14115.10.
- 3 (2) A state-by-state comparison of school-based medicaid total
4 and per eligible child claims and federal revenues. The comparison
5 shall include a review of the most recent two years for which
6 completed data is available.
- 7 (3) A summary of office activities and an explanation of how
8 each activity contributed toward narrowing the gap between
9 California's per eligible student federal fund recovery and the per
10 student recovery of the top three states.
- 11 (4) A listing of all school-based services, activities, and
12 providers approved for reimbursement by the federal Health Care
13 Financing Administration in other state plans that are not yet
14 approved for reimbursement in California's state plan and the
15 service unit rates approved for reimbursement.
- 16 (5) The official recommendations made to the office by the
17 advisory committee established pursuant to subdivision (c) of
18 Section 14115.8 and the action taken by the office regarding each
19 recommendation.
- 20 (6) A one-year timetable for state plan amendments and other
21 actions necessary to obtain reimbursement for those items listed in
22 paragraph (4).
- 23 (7) Identify any barriers to local education agency
24 reimbursement, including those specified by the advisory
25 committee established pursuant to subdivision ~~(e)~~-(d) of Section
26 14115.8, to local education agency reimbursement that are not
27 imposed by federal requirements, and describe the actions that
28 have been, and will be, taken to eliminate them.
- 29 (e) (1) The office established pursuant to subdivision (a) shall
30 be ~~adequately~~ funded and staffed by proportionately reducing
31 federal medicaid payments allocable to local educational agencies
32 for the provision of benefits funded by the federal medicaid
33 program under the billing option for services by local educational
34 agencies specified in Section 14115.8. Annual funding shall be
35 provided for the office from the Health Care Deposit Fund by
36 proportionately reducing the federal recovery to all local
37 educational agencies. The annual amount funded shall not exceed
38 one million five hundred thousand dollars (\$1,500,000).
- 39 (2) Commencing with the 2003-04 fiscal year, funding
40 received pursuant to paragraph (1) shall derive only from federal



1 medicaid funds that exceed the baseline amount of local
2 educational agency medicaid billing option revenues for the
3 2000–01 fiscal year.

4 (f) This section shall remain in effect only until January 1,
5 2006, and as of that date is repealed, unless a later enacted statute,
6 that is enacted before January 1, 2006, deletes or extends that date.

7 SEC. 3. Section 14115.10 is added to the Welfare and
8 Institutions Code, to read:

9 14115.10. (a) The activities of the Office of Public School
10 Assistance created pursuant to Section 14115.9 shall include the
11 following:

12 (1) An annual comparison of the school-based medicaid
13 systems in comparable states.

14 (2) Efforts to improve communications with the federal
15 government, the State Department of Education, and local
16 education agencies.

17 (3) The development and updating of written guidance to local
18 education agencies to provide technical assistance and assistance
19 regarding best practices to avoid audit exceptions.

20 (4) The establishment and maintenance of a local education
21 agency friendly interactive Web site.

22 (b) This section shall remain in effect only until January 1,
23 2006, and as of that date is repealed, unless a later enacted statute,
24 that is enacted before January 1, 2006, deletes or extends that date.

25 ~~SEC. 4.—To the extent that funds are available, the office of the
26 Legislative Analyst shall contract for an independent review of the
27 Office of Public School Assistance, in the State Department of
28 Health Services, established by Section 14115.9 of the Welfare and
29 Institutions Code. The review shall commence no later than
30 September 1, 2004, and be completed by January 1, 2005. The
31 review shall evaluate the office’s success in achieving its purpose
32 and the intent of the Legislature and shall address any criteria
33 suggested by the advisory committee established pursuant to
34 subdivision (c) of Section 14115.8 of the Welfare and Institutions
35 Code. In order to fund the independent review, an amount not to
36 exceed two hundred thousand dollars (\$200,000) shall be allocated
37 to the Legislative Analyst from the Health Care Deposit Fund by
38 proportionately reducing the federal recovery to all local
39 education agencies.~~

40 SEC. 5.—



1 *SEC. 4.* It is also the intent of the Legislature that the gap in
2 per student recovery for medicaid reimbursements for services by
3 local education agencies between California and the three states
4 recovering the most per student from the federal government be
5 reduced as rapidly as possible. In order to accomplish this intent,
6 the Legislature finds that the activities of the Office of Public
7 School Assistance in the State Department of Health Services are
8 a state priority. Accordingly, to accomplish all of the tasks required
9 by this act it is recognized that more staff may be needed initially
10 and that the manager of the office should be at the same level as
11 an assistant director.

